

Bylaws of the Hill Country Arts Foundation, Inc.

Amended 12-11-99 as follows: Article IV, Section 4.1 – term limits for all directors except HCAF Auxiliary President changed from one to two terms. Article V, Section 5.1 – added provision that board officers were to be nominated by the Nominating Committee.

Amended 12/14/02 as follows: Article IV, Section 4.4 – deleted the word “monthly” in 1st sentence, added email and fax as notification mediums and changed notification from personally to individually accomplished.

Amended 12/08/07 as follows: Article IV, Section 4.1 – replaced 4th sentence of 2nd paragraph with, All other directors may serve two consecutive terms, and after one year off the board, may continue to serve on the board.

Amended 1/29/2010 as follows: Article III, Section 3.1 – annual meeting to be held at HCAF in January. Article IV, Section 4.1 – Nominating committee shall propose candidates for board vacancies no later than October board meeting. New board officers shall attend mandatory orientation prior to being installed. Article IV, Section 4.5 special meeting notice can be delivered by e-mail. Article V, Section 5.2 Officers elected at time of annual meeting.

ARTICLE I

Offices

Section 1.1 OFFICES. The principal business office of the Corporation shall be at Ingram, Texas. The Corporation may have such other business offices within or without the State of Texas as the Board of Directors may from time to time establish.

Article II

Membership

Section 2.1 MEMBERSHIP. Membership in the Corporation shall be divided into classes. Categories of membership, definition of class criteria, voting rights and privileges, and any changes thereto shall be approved by the Board of Directors.

Section 2.2 DUES. Annual dues categories and amounts shall be determined by the Board of Directors.

ARTICLE III

Meetings of the Corporation

Section 3.1 ANNUAL MEETINGS. An annual meeting of members of the Corporation shall be held at the Foundation headquarters in Ingram, Texas, in January at a date and time to be announced to the general membership in writing by the Board of Directors at least six days prior to such meeting.

Section 3.2 SPECIAL MEETINGS. Special meetings of the general membership may be called at any time by the Board of Directors, provided that notice of any such meeting is given at least six (6) days in advance of the time and place of such meeting and the purpose for which such meeting is stated.

ARTICLE IV

The Board of Directors

Section 4.1 NUMBER, QUALIFICATIONS, & TERMS. The business and affairs of the Corporation shall be governed by the Board of Directors; and, subject to any restrictions imposed by law, by the articles of incorporation, or by these bylaws, the Board of Directors may exercise all the powers of the Corporation. The Board of Directors shall consist of a number determined by the Board of Directors that is not less than nine (9) and not more than nineteen (19) members. Such numbers may be increased or decreased by amendment of these bylaws, provided that no decrease shall affect a shortening of the term of any incumbent director. Directors need not be residents of Texas absent provision to the contrary in the articles of incorporation or laws of the State of Texas. All directors must be members of the Hill Country Arts Foundation.

The directors shall be divided into three yearly classes, to be as near equal in number as possible. All directors shall be elected by the corporate membership at the annual corporate meeting at which a quorum is present. Directors are

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elected to serve a term of three (3) years with the exception of the HCAF Auxiliary President who serves as a voting board member during his/her one-year term. All other directors may serve two consecutive terms, and after one year off the board, may continue to serve on the board. All directors shall hold office until their successors have been duly elected or qualified.

(b) The nominating committee shall propose candidates for board vacancies no later than the October meeting of the Board of Directors. Nominees approved by the board shall be elected by the general membership in a mailed ballot in December, with such ballot returnable by mail or in person to the Foundation headquarters by a date and time to be established by the Board of Directors.

Newly elected directors shall attend a mandatory orientation session prior to being officially installed at the annual meeting.

Section 4.2 REMOVAL OF DIRECTORS. At any official meeting called for such purpose, any one or more of the directors elected may be removed with or without cause by a majority vote of the remaining directors and a successor or successors may then and thereby be elected to fill the vacancy or vacancies thus created. Any director whose removal has been proposed by the Board of Directors shall be given an opportunity to be heard at the meeting. A successor to any director removed in accordance herewith shall serve as a director for the remainder of the term for which such removed director was elected.

Section 4.3 VACANCIES. Any vacancy occurring in the Board of Directors may be filled by a majority vote of the remaining directors, even if such remaining directors comprise less than a quorum of the Board of Directors. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Any position on the Board of Directors to be filled by reason of an increase in the number of directors shall be filled by a majority vote of the directors.

Section 4.4 REGULAR MEETINGS. A regular meeting of the Board of Directors shall be held at such times and places as may be designated by the Board of Directors. Notice of regular meetings of the Board of Directors shall be given to each director individually by mail, email, fax, or telephone at least three (3) days prior to the day named for such meeting. Failure to hold any regular meetings shall not work a forfeiture of dissolution of the Corporation.

Section 4.5 SPECIAL MEETINGS OF THE BOARD OF DIRECTORS. Special meetings of the Board of Directors shall be held at any time by call of the president or any two (2) directors. Notice of each special meeting shall be given to each director at his/her usual business or residence address by mail, e-mail, fax or telephone at least three (3) days before such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the director at his/her address as it appears on the books of the corporation with postage prepaid thereon. Such notice shall specify the time, place, and purpose of such meeting. No notice shall be necessary for any adjournment of any meeting. The signing of a written waiver of notice of any special meeting before or after the time stated therein, shall be equivalent to the receiving of such notice. Attendance of a director at a meeting shall also constitute a waiver of notice of such meeting, except where a director attends a meeting for the express and announced purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Section 4.6 QUORUM. At all meetings of the Board of Directors, a majority thereof shall constitute a quorum for the transaction of business and the act of not less than a majority of such quorum of the directors shall be required in order to constitute the act of the Board of Directors, unless the act of a greater number shall be required by law, by the article of incorporation or by these bylaws. If a quorum shall not be present at any meeting of the Board of Directors, the directors present there at may adjourn the meeting without notice other than announcement at the meeting of adjournment until a quorum shall be present.

Section 4.7 PROCEDURE AT MEETINGS. The president shall preside at meetings of the board. If the president is absent at any meeting, any officer authorized by these bylaws or any member of the board selected by the members present shall preside. The secretary of the Corporation shall act as secretary at all meetings of the board. If the secretary is absent, the presiding officer of the meeting may designate any person to act as secretary. At meetings of the Board of Directors, the business shall be transacted in such order as the board may from time to time determine. To the extent applicable Robert's Rules of Order shall govern the conduct of and procedure at all meetings.

Section 4.8 ACTION WITHOUT A MEETING. Any action required by statute to be taken at a meeting of the directors of the Corporation, or which may be taken at such meeting, may be taken without a meeting if consent in writing, setting forth the action so taken, shall be signed by each director entitled to vote at such meeting, and such

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consent shall have the same force and effect as a vote of the directors. Such signed consent, or a signed copy thereof, shall be placed in the minute book of the Corporation.

ARTICLE V

Officers

Section 5.1 NUMBER. The officers of the Corporation shall be members of the Board of Directors and shall consist of a president, one or more vice-presidents, a secretary and treasurer; and in addition, such other officers and assistant officers and agents as may be deemed necessary or desirable. Officers shall be nominated by the Nominating Committee and elected by the Board of Directors. Any two or more offices, except that of president and secretary, may be held by the same person. In its discretion, the Board of Directors may leave unfilled any office except those of president and secretary.

Section 5.2 ELECTION, TERM & QUALIFICATION. The Board of Directors at the annual meeting shall elect from its number the president and vice president(s). Each officer shall be elected for a term of one (1) year, or until their death, resignation or removal. Officers may be elected to a consecutive term.

Section 5.3 REMOVAL. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not itself create any contract rights. Also, any other officers or assistant officers and agents may be removed at any time with or without cause by the Board of Directors, or by any committee or officer upon whom such power of removal may be conferred by the Board of Directors.

Section 5.4 VACANCIES. Subject to the laws of the State of Texas, the articles of incorporation, and these bylaws, any vacancy in any office for any cause may be filled by the Board of Directors at any meeting. An officer elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

Section 5.5 DUTIES. The officers of the Corporation shall have such powers and duties except as modified by the Board of Directors, as generally pertain to their offices, respectively, as well as such powers and duties as from time to time shall be conferred by the Board of Directors and by these bylaws.

Section 5.6 THE PRESIDENT. The president shall have general direction of the affairs of the Corporation and general supervision over its several officers, subject however, to the control of the Board of Directors. The President shall at each regular meeting, and from time to time, report to the Board of Directors all matters within his knowledge, which, in his opinion, the interest of the Corporation may require to be brought to the notice of such persons. The President shall have all of the general powers and duties which are usually vested in the office of the president of a Corporation, shall perform all duties incident to the office of president, and such other duties as from time to time may be assigned to the President by the Board of Directors or as are prescribed by these bylaws.

Section 5.7 THE VICE PRESIDENTS. At the request of the President, or in the President's absence or disability, the vice presidents, in order of their election, shall perform the duties of the President, and, when so acting, shall have all the powers of, and be subject to all restrictions upon, the President. Any action taken by a vice president in the performance of the duties of the President shall be conclusive evidence of the absence or inability to act of the President at the time such action was taken. The vice presidents shall perform such other duties as may, from time to time, be assigned to them by the Board of Directors or the President.

Section 5.8 SECRETARY. The secretary shall keep the minutes of all meeting of the Board of Directors, in one or more books provided for such purpose and in general shall perform all duties and exercise all powers incident to the office of the secretary and such other duties and powers as the Board of Directors or the President from time to time may assign to or confer on him/her.

Section 5.9 TREASURER. The treasurer shall have oversight responsibility for the receipt and disbursement of Corporation funds as directed by the Board of Directors rendering to the President and Board of Directors at the regular meetings or whenever they may require it, an account of all corporate financial transactions as treasurer and shall perform such other duties as from time to time may be assigned to him by the Board of Directors or by the President.

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Section 5.10 TREASURER'S BOND. If required by the Board of Directors, the treasurer and any assistant treasurer shall give the Corporation a bond in such sum and with such surety or sureties shall be satisfactory to the Board of Directors for the faithful performance of the duties of his office and for restoration to the Corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, voucher, money or other property of whatever kind in his possession or under his control belonging to the Corporation.

Section 5.11 ASSISTANT OFFICERS. Any assistant secretary or assistant treasurer appointed by the Board of Directors shall have power to perform and shall perform, all duties incumbent upon the secretary or treasurer of the Corporation, respectively, subject to the general direction of such respective officers, and shall perform such other duties as these bylaws may require or the Board of Directors may prescribe.

Section 5.12 COMPENSATION. If approved by the Board of Directors, no officer shall be prevented from receiving compensation by reason of the fact that he is also a director of the Corporation.

Section 5.12.5 CONFLICT OF INTEREST NOTIFICATION. Members of the Board of Directors and paid employees of the corporation have a duty to notify the Board of Directors of any conflict of interest, or potential conflict of interest situations in which they are, or may be, involved. Such notification shall be made to the President of the Board of Directors who will communicate such notification to the Board of Directors at its next scheduled meeting where it will be documented in the Minutes of that meeting. Members of the Board of Directors, who are involved in a conflict of interest, or potential conflict of interest situation, will abstain from casting a vote on the conflict of interest, or potential conflict of interest situation and such abstention will be documented in the minutes of the Board of Directors Meeting.

Section 5.13 DELEGATION. The Board of Directors may delegate temporarily the powers and duties of any officer of the Corporation, in case of his absence or for any other reason, to any other officer, and may authorize the delegation by any officer of the Corporation of any of his powers and duties to any agent or employee, subject to the general supervision of such officer.

Section 5.14 RESIGNATION. Any officer may resign at any time by giving written notice thereof to the Board of Directors or to the president or secretary of the Corporation. Any such resignation shall take effect at the time specified therein and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

ARTICLE VI

General Provisions

Section 6.1 COMMITTEES. All committees, either standing or special, including the Nominating Committee, shall be appointed by the President and approved by the Board of Directors as they shall from time to time deem necessary to carry on the work of the Corporation. Committee chairmen shall be members of the Board of Directors, committee members need not be members of the Board of Directors. The president shall serve as an ex-officio member of all standing committees and all special committees except the Nomination Committee.

Section 6.2 CONTRACTS. The president shall have the power and authority to execute, on behalf of the Corporation, contracts or instruments authorized by the Board of Directors, and in addition the Board of Directors may authorize any officer or officers, agent or agents, of the Corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances. Unless so authorized by the Board of Directors or by these bylaws, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement, or to pledge its credit or to render it pecuniary liable for any purpose or in any amount.

Section 6.3 CHECKS, DRAFTS, ETC. All checks, drafts, or other order for the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or employees of Corporation as shall from time to time be authorized pursuant to these bylaws or by resolution of the Board of Directors.

Section 6.4 DEPOSITORIES. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks or other depositories as the Board of Directors may from time to time designate, and upon such terms and conditions as shall be fixed by the Board of Directors. The Board of Directors may from time to

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time authorize the opening and maintaining within any such depository as it may designate, of general and special accounts, and may make such special rules and regulations with respect thereto as it may deem expedient.

Section 6.5 FISCAL YEAR. The fiscal year of the Corporation shall begin and end on such dates as the Board of Directors at any time shall determine.

Section 6.6 BOOKS AND RECORDS. The Corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its Board of Directors.

Section 6.7 BUSINESS, FINANCIAL STATEMENTS AND BUDGETS. At each regular meeting of the Board of Directors a full report of the business and financial condition of the Corporation containing detailed current budgets of income, expenses and investments, with project investments in excess of \$3000 requiring approval shall be presented.

At each annual meeting of the Corporation there will be available an annual report of the financial condition of the Corporation based upon a review, qualified audit or certified audit by a certified public accountant as determined by the Board of Directors. A report of budgets of income, expenses and investments for the current fiscal year shall be presented.

ARTICLE VII

Amendments

Section 7.1 AMENDMENTS. These bylaws may be altered, amended, or repealed, or new bylaws may be adopted, at any annual or special meeting of the Corporation members by a two-thirds (2/3) majority of the members present in person or by written proxy provided that notice of such proposed change to the bylaws in written form shall have been contained in the written notice of such meeting of the general membership at least six (6) days prior to the date of such meeting.

ARTICLE VII

Section 8.1 INDEMNIFICATION OF OFFICERS AND DIRECTORS. The Corporation shall indemnify every director or officer, his heirs, executors and administrators, against all loss, cost and expense including counsel's fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being, or having been a director or officer of the Corporation, except as to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Corporation is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of the duty of such director or officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such officer or director may be entitled. All liability, loss damage, cost and expense incurred or suffered by the Corporation by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Corporation as an expense of the Corporation.

Bylaws adopted by the Membership of the Hill Country Arts Foundation as amended January 29, 2010.

Lane Tait, President

Mary Katherine Collins, Vice President Visual Arts

Barbara von Brandt-Siemers, Treasurer

Joyce Trogel, Secretary