

**BYLAWS**  
**CAL FARLEY'S BOYS RANCH ALUMNI ASSOCIATION FOUNDATION**  
**Adopted as the Bylaws of the Foundation as amended May 20, 2020**

**ARTICLE I**  
**NAME AND OFFICES**

Section 1.01. Name. The name of the Corporation is, Cal Farley's Boys Ranch Alumni Association Foundation, Inc.

Section 1.02. Registered Office. The registered office of the Corporation in Texas shall be that set forth in the Articles of Incorporation, or in a resolution of the Directors filed with the Secretary of State changing the registered office.

Section 1.03. Other Offices. The Corporation may have other offices, at such other places as the Board of Directors may determine that the business of the Corporation shall require.

**ARTICLE II**  
**PURPOSE**

Section 2.01 Purpose. The purpose of the Foundation is to promote and support the Cal Farley's Boys ranch Alumni Association (CFBRAA) in achieving their stated objectives. Cal Farley's Boys Ranch Alumni Association exists for the purpose of carrying on the work begun by Cal and Mimi Farley in providing family support to former Ranchers and support for Cal Farley's Inc.

Section 2.02 Non-Profit. The Foundation shall be organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986. In furtherance of its purpose and not by way of limitations, the Foundation shall have the power to take, accept, hold, manage, and acquire, by bequest, devise, gift or purchase, money and any property, real, personal or mixed, whether tangible or intangible and to make expenditures to or for the benefit of charitable organizations within the meaning of Section 170(b)(1)(A)(iv) of the Internal Revenue Code of 1986. The Foundation may transfer and convey, whether by grant, gift donation or sale, any such funds or property to or for the benefit of charitable organization or directly for the charitable purpose of the Foundation. More specifically, the Foundation is organized and shall be operated to do any and all acts and things, and to exercise any and all powers conferred upon corporations formed under the Texas Non-Profit Corporation Act, provided such powers, acts and things are not inconsistent with or prohibited by the purpose of the Foundation, the Articles of Incorporation, the Bylaws of the Foundation, any law, or would result in either imposition of a penalty, excise taxes, or would jeopardize the tax exempt status of the Foundation under the Internal Revenue Code and its regulations as they now exist or as they may hereafter be amended. The Foundation shall be operated exclusively for such purposes, and except that the Foundation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of such purpose, no part of its net earnings shall inure to the benefit of, or be distributable to, any director, officer or other private person. No part of the

Foundation's activities shall be carrying on propaganda, or otherwise attempting to influence legislation, and the Foundation shall not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of or in opposition to any candidate for public office.

Section 2.03 The Foundation is authorized to pay reasonable compensation to any private person or business for administrative services or for services provided to support the CFBRAA.

### **ARTICLE III BOARD OF DIRECTORS**

Section 3.01. Members. The Foundation shall have no members. All corporate actions shall be approved by the Board of Directors as provided in these Bylaws. All rights which would otherwise rest in the members shall rest in the Directors.

Section 3.02. General Powers. The direction and management of the affairs of the Foundation and the control and disposition of its assets shall be vested in a Board of Directors who may exercise all such powers of the Foundation and do all such lawful acts and things as are permitted by law, the Articles of Incorporation or these Bylaws.

Section 3.03. Property. No director shall have any right, title or interest in or to the property of the Corporation.

Section 3.04. Number, Qualifications and Term of Office. The number of Directors shall be at least 7 and not more than 15; however, the number of voting Directors may be increased or decreased to any odd number by amendment of these Bylaws. All Elected Directors shall be elected by a majority vote of the currently serving, Elected board members. The President of Cal Farley's Boys Ranch Alumni Association shall hold a permanent Director seat on the Foundation BOD. All other Directors shall be known as Elected Directors. At all times a majority of the Foundation BOD, whether elected or appointed, shall be members of the Cal Farley's Boys Ranch Alumni Association. Each elected Director shall hold office until the annual meeting three (3) years following his or her election and until a successor is elected, or until his or her death or resignation, or until he or she is removed in the manner hereinafter provided. The term of office for approximately one-third of the appointed Directors shall expire each year. Appointed Directors may be re-elected to successive terms. Persons, including representatives and directors of banks or trust companies who serve as investment advisors, custodians, or agents for or with respect to funds of or held for the benefit of this Foundation, shall never constitute more than one-half of the directors of this Foundation.

Section 3.05. Election. Recommendations by any Director for new Directors must be submitted in writing to all members of the Board at least ten (10) days in advance of the meeting at which the selections are to be considered.

Section 3.06. Resignation. Any Director of the Foundation may resign at any time by giving written notice to the President or to the Secretary of the Foundation. The resignation of any

Directors 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.

Section 3.07. Vacancies. Any vacancy in the position of an appointed director caused by death, resignation, disqualification, removal, or any other cause, shall be filled by a majority vote of the Board of Directors and the Director so elected shall hold office for the remaining term of that Directorship and until his or her successor shall be duly elected and qualified by the remaining Directors.

Section 3.08. Annual Meeting. As soon as practical and not more than sixty (60) days after the beginning of new fiscal year, the annual meeting of the Foundation shall be held for the purpose of election of officers of the Foundation and any other business or transactions as shall come before the meeting. Notice of the annual meeting shall be given in writing by the Secretary to all Directors not less than ten (10) days prior to the meeting.

Section 3.09. Regular Meetings. Regular meetings of the Board of Directors shall be held at such time and place as the Board may determine by resolution adopted by a majority of the members of the Board of Directors. Notice of regular meetings shall be given by the Secretary not less than five (5) days prior to the meeting. All meetings may be held via conference call, video conferencing, web conferencing or other remote conferencing reasonably convenient and accessible for such purposes as desired by the BOD.

Section 3.10. Special Meetings Notice. Special meetings of the Board of Directors shall be held whenever called by the President or by at least 25% of the Directors. Notice of each such special meeting shall be (1) mailed to each Director, addressed to the Director at his or her residence or usual place of business, at least five (5) days before the day on which the meeting is to be held, or (2) emailed with confirmation of receipt to each member's designated email address at least three (3) days before the day on which the meeting is to be held, or (3) be delivered personally or by telephone, no later than two (2) days before the day on which the meeting is to be held, except as otherwise provided by these Bylaws. Each such notice shall state the time, place, method and purpose of the meeting. Any meeting of the Board shall be a legal meeting without any notice thereof having been given, if all of the Directors of the Foundation then in office shall be present thereat (except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened) or waive such notice in writing before, at, or after such meeting.

Special 3.11. Quorum and Manner of Acting. Except as otherwise provided by statute or by these Bylaws, a minimum of 51% of the Directors must be present to constitute a quorum for the transaction of business at any meeting and the act of a majority of the Directors present at any meeting at which a quorum is present shall be the act of the Foundation. In the absence of a quorum, a majority of the Directors present may adjourn any meeting, and reconvene once a quorum is assembled, without giving further notice.

Section 3.12. Meeting Attendance. It shall be the policy of the Foundation to require attendance

at all Directors meetings. In the event a Director misses three (3) or more consecutive meetings, the Board of Directors may, if deemed appropriate, ask for the resignation of that Director. If the Director does not resign upon request, then the removal provisions of Section 3.14 must be followed if the Board, in its discretion, decides removal is appropriate. However, it shall also be the policy of the Foundation to attempt to accommodate the schedules of its Directors who demonstrate continuing interest in the affairs of the Foundation. It shall be at the discretion of the Board of Directors in invoking this provision.

Section 3.13. Removal of Directors. Any Director may be removed with cause at any time. Removal shall be by a vote of a majority of all Directors of the Foundation at a regular meeting or a special meeting of the Directors called for that purpose. Written notice stating the place, date, hour and the purpose of any special meeting called for the purpose of removing one or more Directors must be delivered to all Directors at least ten (10) days prior to such meeting. If mailed, the notice of a meeting shall be deemed delivered when deposited in the United States mail addressed to the Director at his or her address as it appears on the records of the Foundation, with postage thereon prepaid. The vacancy in the Board of Directors caused by any such removal shall be filled in the manner specified in Section 3.7 hereof.

Section 3.14. Proxies. Proxies shall not be allowed or used.

Section 3.15. Action of Board by Consent. Any action required by the Texas Non-Profit Corporation Act to be taken at a meeting of the Directors of the Foundation or any action that may be taken at a meeting of the Directors or of any committee may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by a sufficient number of Directors or committee members, respectively, as would be necessary to take that action at a meeting at which all of the Directors or members of the committee were present and voted. Each written consent shall conform to the requirements of the Texas Non-Profit Corporation Act as it is amended from time to time.

#### **ARTICLE IV OFFICERS**

Section 4.01. Number. The officers of the Foundation shall be President, Executive Vice-President, a Secretary, and a Treasurer. The Foundation may also have any such other officers as may be appointed by the Board of Directors.

Section 4.02. Election, Term of Office and Qualification. All officers shall be elected annually by the Directors of the Foundation, except in the case of officers appointed in accordance with the provisions of Sections 4.05 or 4.10. Each shall hold office for a period of one (1) year or until his or her successor shall have been duly elected and qualified, or until his or her death, or until he or she shall resign, or until he or she shall have been removed in the manner hereinafter provided. All officers shall be elected from the BOD.

Section 4.03. Resignation. Any officer may resign at any time by giving written notice of his or her resignation to the Board of Directors, to the President, or to the Secretary of the Foundation.

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.

Section 4.04. Election and Removal. Election of an officer shall not, of itself, create contract rights. Any officer elected by the Board of Directors may be removed by the Board whenever in its judgment, the best interests of the Foundation would be served thereby. Such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 4.05. Vacancies. A vacancy in any office because of death, resignation, removal or any other cause shall be filled for the unexpired portion of the term in the manner prescribed in these Bylaws for election or appointment of such office.

Section 4.06. President. The President shall assume all duties normally associated with that office. The President shall be the chief executive officer of the Foundation and shall have general active management of the business of the Foundation. He or she, shall, when present, preside at all meetings of the Directors. He or she shall see that all orders and resolutions of the Board of Directors are carried into effect. He or she, with the proper signature of one other duly qualified officer of the Foundation, may execute and deliver in the name of the Foundation, any deeds, mortgages, bonds, contracts or other instruments pertaining to the business of the Foundation, including without limitation, any instruments necessary or appropriate to enable the Foundation to donate income or principal of the Foundation to or for the account of any organizations, causes and projects described in the Articles of Incorporation of the Foundation which the Foundation was organized to support. He or she shall perform such other duties as may from time to time be prescribed by the Board of Directors.

Section 4.07. Vice-President. The Vice-President, shall be elected by the Board of Directors, shall have such powers and shall perform such duties as may be specified in the Bylaws or prescribed by the Board of Director or by the President. In the event of absence or disability of the President, the Vice President shall succeed to their power and duties until the Board of Directors elects a new President.

Section 4.08. Secretary. The Secretary shall be elected by the Board of Directors. The Secretary shall attend and keep correct minutes of all meetings of the Board of Directors and Executive Committee; keep and have charge and custody of, all books, records and documents belonging to the Foundation except such financial books and records as shall be in charge and custody of the Treasurer, give or cause to be given notices of all meetings required by the Bylaws or by law; and have charge of the seal of the Foundation, if any, and is authorized by the Bylaws to affix it to any instrument requiring the seal of the corporation and attest the same by his or her signature. The Secretary shall prepare and submit to the Board of Directors or the President such reports and such data as may be requested and the Secretary shall perform such other duties and have such other powers as from time to time may be assigned or delegated to the Secretary by the Board of Directors or the President. The Board of Directors may, from time to time, delegate to another office or person (whether or not a Board member) any of the duties usually performed by the Secretary, and if such delegation is made, the person shall be designated Assistant Secretary and act pursuant to instructions of the Secretary and these Bylaws.

Section 4.09. Treasurer. The Treasurer shall cause to be kept accurate accounts of all funds of the Foundation received or disbursed. He or she shall cause to be deposited all funds, drafts and checks in the name of, and to the credit of, the Foundation in such banks and depositories as the Board of Directors, by resolution, shall, from time to time designate. He or she shall have power to endorse for deposit all notes, checks and drafts received by the Foundation. He or she shall cause to be rendered to the President and the Directors, wherever required, an account of all his or her transactions as Treasurer and of the financial condition of the Foundation, and shall perform such other duties as may from time to time be prescribed by the Board of Directors or by the President, and in general, shall perform all duties incident to the office of the Treasurer.

Section 4.10. Other Officers. The Foundation may have such other officers and agents as may be deemed necessary by the Board of Directors, who shall be appointed in such manner, have such duties and hold their office for such terms as may be determined by resolution of the Board of Directors.

Section 4.11. The officers of the Foundation to be elected by the Board shall be elected at the Annual Business Meeting. Nominations for officers may be made by any BOD member. All nominations will be submitted to all BOD members at least 5 days prior to the annual meeting. A majority vote of the BOD shall be required to elect officers.

## **ARTICLE V COMMITTEES**

Section 5.01. Standing Committees. The Directors may establish one or more Standing Committees and determine the duties and authority of any such committee. The Executive Committee shall be a Standing Committee of the Foundation. The Executive Committee shall consist of the President, Vice-President, Secretary and Treasurer.

Section 5.02. Special Committees. The Board of Directors may from time to time, establish special committees. The Board of Directors shall specify the number of persons composing such special committees and the terms and duties of such special committees, and elect the members of those committees. While the membership of the special committees need not be composed entirely of members of the Board of Directors, at least two (2) Directors shall be members of each special committee.

Section 5.03. Term of Office. Each member of a committee shall continue to serve on the committee until the next annual meeting of the Directors and until a successor is appointed. However, the term of a committee member may terminate earlier if a committee member is terminated, dies, ceases to qualify, resigns, or is removed as a member, or if the Board for whatever reason terminates or abolishes a committee then the term of the members of such committee terminates. A vacancy on a committee may be filled by the Executive Committee. A person appointed to fill a vacancy shall serve for the unexpired position of the previous committee member's term.

Section 5.04. Committee Meetings. Committee meetings shall be called and presided over by the Chairman of the Committee, or in his or her absence or disability, by the Vice Chairman, or in case of absence and/or disability of both the Chairman and Vice Chairman by any member thereof after reasonable notice to all of the committee members. Committees shall meet as often as necessary to properly discharge their duties. A simple majority of committee members present shall constitute a quorum for any committee meeting and a simple majority vote of those present and voting at any committee meeting at which a quorum is present shall constitute the action or report of the committee.

Section 5.05. Chair and Vice Chair. The Chairman and Vice Chairman of each committee shall be designated by the Executive Committee.

Section 5.06. Proxies. Proxies shall not be allowed or used by any committee member.

Section 5.07. Reference to Committees. While it shall not be required, it is recommended, when applicable, that matters be referred to appropriate committees for consideration and recommendations prior to Board action.

Section 5.08. Action in Lieu of Meeting. If all the members of a committee consent in writing to any action, such action shall be as valid as if authorized at a meeting of the committee. Such consent, setting forth the action so taken, shall be filed with the minutes of the proceedings at the next committee meeting.

## **ARTICLE VI FISCAL AGENTS**

This Foundation may designate such fiscal agents, investment advisors and custodians as the Board of Directors may select by resolution. The Board of Directors may at any time, with or without cause, discontinue the use of the services of any such fiscal agent, investment advisor, or custodian.

## **ARTICLE VII FIDUCIARY RESPONSIBILITY**

It shall be the policy of this Foundation that the Board of Directors shall assume and discharge fiduciary responsibility with the respect to all funds and other assets held or administered by this Foundation. All matters concerning financials and investments will be in compliance with the Foundation Finance and Investment Policies.

## **ARTICLE VIII POLICIES WITH RESPECT TO DISTRIBUTION OF PRINCIPAL, INCOME AND RELATED MATTERS**

Section 8.01. Distribution Policy. It shall be the policy of this Foundation to make distributions for the purposes for which it is organized, including administrative expenses and amounts paid to

acquire an asset used (or held for use) directly in carrying out one or more of its purposes, in an amount determined by the Board of Directors to be appropriate. In such distribution of funds, no discrimination shall be made on account of the age, sex, color, religious affiliation, disability or national origin of the individuals or programs to be benefited thereby.

Section 8.02 It is the policy of the Foundation to comply in all respects with state law, and more particularly with all federal statutes and with all rules, regulations and pronouncements of the Internal Revenue Service relating to exempt organizations. It is the policy of the Foundation not to engage in any act which would jeopardize the Foundation's tax exempt status.

Section 8.03. No Self-Dealing. It shall be the policy of this Foundation not to engage in any act which would constitute "self-dealing" as defined in Section 4941(d) of the Internal Revenue Code of 1986, as now enacted or as hereafter amended.

Section 8.04. No Jeopardy Investments. It shall be the policy of the Foundation to assure that no funds, whether title thereto is vested in this Foundation or is vested in a trust for the benefit of the Foundation, are invested or reinvested in such a manner as to jeopardize the carrying out of the purposes for which this Foundation is organized. The Foundation shall have the right to retain all or any part of any funds, securities, or real or personal property acquired by it in whatever manner, and to invest, reinvest, sell, or exchange any such property held by it, according to the judgment and authorization of the Board of Directors or the Executive Committee without being restricted to the class of investments which may hereafter be permitted by law, or any similar restriction; provided, however, that no action shall be taken by or on behalf of the Foundation and no action shall be forbore if such action or such forbearance is a prohibited transaction or would result in either imposition of penalty, excise taxes, or the denial of the tax exemption under the Internal Revenue Code and its regulations as they now exist or as they may hereafter be amended, or would violate state law relating to non-profit corporations or exempt organizations, or any other law.

Section 8.05. Expenditure Responsibility. Through its Board of Directors, this Foundation shall exercise "expenditure responsibility" as defined in Section 4945(h)(1) and (2) of the Internal Revenue Code of 1986, as now enacted or as hereafter amended, with respect to all grants and distribution.

Section 8.06. Reasonable Return. The Board of Directors shall take steps to assure that each Director, agent, or custodian of the unrestricted trusts or funds that are a component part of this Foundation, will administer them in accordance with accepted standards of fiduciary conduct to produce a reasonable (as determined by the Board of Directors) return of net income.

## **ARTICLE IX BOOKS OF RECORD, AUDIT, FISCAL YEAR, BOND**

Section 9.01. Books and Records. The Board of Directors of this Foundation shall cause to be kept:



(a) records of all proceedings of the Board of Directors and Committees thereof; (b) Articles of Incorporation and Bylaws of this Foundation and all amendments thereto; (c) Such other records, including financial records and books of account as shall be necessary and appropriate to the conduct of the corporate business; and (d) Such other records and books of account as shall be required by federal law or rules and regulations of the Internal Revenue Service relating to exempt organizations

Section 9.02. Audit and Publication. The Board of Directors shall cause the records and books of account of this Foundation to be audited at least once every other fiscal year in such a manner as may be deemed necessary or appropriate and also shall make such inquiries as the Board of Directors deems necessary or advisable into the condition of all trusts and funds held by any agent or custodian for the benefit of this Foundation. The Directors shall retain any such person or firm for such purposes as they may deem appropriate.

Section 9.03. Fiscal Year. The fiscal year of the Foundation shall begin on January 1 and end on December 31 of each year.

Section 9.04. Bond. The Foundation shall obtain a bond on such people and in such amounts as may from time to time be deemed necessary by the Board of Directors.

## **ARTICLE X TRANSACTIONS OF THE CORPORATION**

Section 10.01. Checks, Drafts, Etc. All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Foundation, must be approved by the Treasurer of the Foundation and one other member of the Executive Committee of the Foundation.

Section 10.02. Deposits. All funds of the Foundation not otherwise employed shall be deposited to the credit of the Foundation in such depositories as the Board of Directors, by resolution, may select.

Section 10.03. Contracts. The Board of Directors may authorize any officer or agent of the Foundation to enter into a contract to execute and deliver any instrument in the name of and on behalf of the Foundation.

Section 10.04. Gifts and Donations. The Board of Directors may accept on behalf of the Foundation any contribution, gift, bequest or devise for the general purpose or for a specific purpose of the Foundation. The foundation is empowered to reject any gifts which it deems inappropriate. Any designated gift, if accepted by the Foundation, shall be used only for the purposes for which it was designated. Any gift or donation received by the Foundation which is not designated for a particular purpose shall be used by the Foundation in such manner as it deems best, so long as such use is consistent with the purposes of the Foundation, its policies, these Bylaws and the charitable purposes for which the Foundation was created. Undesignated

gifts may be merged by the Foundation with other undesignated gifts and used as a single fund. In addition, the Board of Directors may make, on behalf of the Foundation any contribution or gift in furtherance of its general purposes or any special purpose of the Foundation, provided such contribution or gift is not prohibited by these Bylaws, Articles of Incorporation, or any law including any federal statute or rule, regulation or pronouncement of the Internal Revenue Service relating to exempt organizations.

Section 10.05. Conflicts of Interest. The Foundation's practice shall be to require that all actual and, potential conflicts of interest be discussed promptly and disclosed fully to the Board of Directors and all other necessary parties. Any Director having a conflict of interest on any matter shall neither participate in the deliberation nor vote on any such matter. The Board of Directors may from time to time, establish such rules and regulations in furtherance of this policy, as deemed appropriate. No director or officer may participate in a vote taken to remove that person from office or membership on the Board. No director who is acting as a fiscal agent, investment advisor or custodian of funds on behalf of the Foundation shall vote on any matter relating to such director's activities as a fiscal agent, investment advisor or custodian.

Section 10.06. Nonprofit Operation. The Foundation will not have or issue shares of stock. No dividends will be paid. Except as specifically provided in Section 2.2 with respect to the operation of the Foundation exclusively for its charitable purposes, no part of the income or assets of the Foundation may be distributed at any time to any individual or entity for less than full and fair consideration as determined in good faith by the board of directors of the Foundation. No director or officer of the Foundation has any vested right, interest or privilege in or to the assets, property, functions or activities of the foundation.

## **ARTICLE XI WAIVER OF NOTICE**

Whenever any notice is required to be given by these Bylaws or any of the corporate laws of the State of Texas, such notice may be waived in writing, signed by the person or persons entitled to said notice, whether before, at, or after the time stated, or before, at, or after the meeting. If mailed, the notice of a meeting shall be deemed delivered when deposited in the United States mail addressed to the Director at his or her address as it appears on the records of the Foundation, with postage thereon prepaid.

## **ARTICLE XII INDEMNIFICATION AND INSURANCE**

Section 12.01. Indemnification and Representation. The Foundation shall indemnify and provide for the defense of any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Foundation) as a result of his or her actions or omissions within the scope of his or her official capacity for the Foundation as a Director, officer, employee, or agent of the Foundation, to the full extent permitted under Texas state law, as in effect from time to time.

Section 12.02 Directors and Officers Insurance. The foundation shall provide liability insurance for the Directors and Officers of the Foundation.

### **ARTICLE XIII DISSOLUTION**

In the event that this Foundation should ever be dissolved, either voluntarily or involuntarily, all of the assets of the Foundation shall pass to and become property of Cal Farley's Boys Ranch Alumni Association (CFBRAA), if it then be in existence as a non-profit corporation. If CFBRAA is not longer in existence as a non-profit organization, upon dissolution of the Foundation, the assets of the Foundation shall pass to and become property of Cal Farley's Inc. If Cal Farley's Inc. ceases to exist then the assets of the Foundation shall pass to and become the property of an organization qualified under Section 501(c)(3) of the Internal Revenue Code whose charitable purpose is similar to that of Cal Farley's Inc. as designated by a court of competent jurisdiction.