

**BYLAWS  
OF  
360 GRASSROOTS**

These Bylaws govern the affairs of 360 Grassroots, a Texas nonprofit corporation (the "Corporation"). The Corporation is organized under the Texas Business Organization Code, as amended (the "Code").

**ARTICLE 1  
NAME AND PRINCIPAL OFFICE**

The name of this nonprofit organization is 360 Grassroots. The principal office of the Corporation in the State of Texas shall be located in Midlothian, Ellis County, Texas. The Board of Directors of the Corporation shall have full power and authority to change any office from one location to another, either in Texas or elsewhere. The Corporation shall comply with the requirements of the Code and maintain a registered office and registered agent in the State of Texas. The registered office may be, but need not be, identical with the Corporation's principal office in Midlothian, Ellis County, Texas. The Board of Directors may change the registered office and the registered agent as provided in the Code.

**ARTICLE 2  
PURPOSES**

The Corporation is formed for any lawful purpose or purposes not expressly prohibited under the Texas Business Organizations Code. The Corporation is organized and shall be operated exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. Notwithstanding the foregoing, the Corporation's purposes also include the limited participation of the Corporation in any other activities, including taxable activities, but only to the extent the activities would be permitted by a tax-exempt organization. More particularly, but without limitation, the purposes of this Corporation are:

To aid in the revitalization of communities within the State of Texas and elsewhere.

To plan, direct, and coordinate a variety of services in the social, health, economic, educational, and spiritual development of families and communities.

To assist in the development of business opportunities for the local community.

To receive public gifts and grants, as well as initiate income-producing activities to support services and special projects of the Corporation.

To collaborate with other individuals and entities having the same or similar visions or goals as the Corporation.

To collect and disburse any and all necessary funds for the maintenance of said Corporation and the accomplishment of its purpose within the State of Texas and elsewhere.

To make distributions to organizations which qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code of 1986 as amended.

This Corporation is also organized to promote, encourage, and foster any other similar religious, charitable, and educational activities; to accept, hold, invest, reinvest and administer any gifts, legacies, bequests, devises, funds and property of any sort or nature, and to use, expend, or donate the income or principal thereof for, and to devote the same to, the foregoing purposes of the Corporation; and to do any and all lawful acts and things which may be necessary, useful, suitable, or proper for the furtherance of accomplishment of the purposes of this Corporation. Provided, however, no act may be performed which would violate Section 501(c)(3) of the Internal Revenue Code of 1986, as it now exists or as it may hereafter be amended.

### **ARTICLE 3**

#### **POWERS AND RESTRICTIONS**

Except as otherwise provided in these Bylaws and in order to carry out the above-stated purposes, the Corporation shall have all those powers set forth in the Code, as it now exists or as it may hereafter be amended. Moreover, the Corporation shall have all implied powers necessary and proper to carry out its express powers. The powers of the Corporation to promote the purposes set out above are limited and restricted in the following manner:

(a) The Corporation shall not pay dividends and no part of the net earnings of the Corporation shall inure to the benefit of or be distributable to its organizers, officers or other private persons, except that the Corporation shall be authorized and empowered to make payments and distributions (including reasonable compensation for services rendered to or for the Corporation) in furtherance of its purposes as set forth in the Certificate of Formation or

these Bylaws. 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 publication or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provisions of the Certificate of Formation or these Bylaws, the Corporation shall not carry on any other activities not permitted to be carried on by (i) a corporation exempt from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent federal tax laws, or (ii) a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent federal tax laws.

(b) In the event this Corporation is in any one year a "private foundation" as defined by Section 509(a) of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent federal tax laws, it shall be required to distribute its income for such taxable year at such time and in such manner as not to subject the foundation to taxation under Section 4942 of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent federal tax laws; and further shall be prohibited from: (i) any act of "self dealing" as defined in Section 4941(d) of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent federal tax laws; (ii) retaining any "excess business holdings" as defined by Section 4943(c) of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent federal tax laws; (iii) making any investments in such manner as to subject the foundation to taxation under Section 4944 of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent federal tax laws; or (iv) making taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent federal tax laws.

(c) The Corporation shall not accept any gift or grant if the gift or grant contains major conditions which would restrict or violate any of the Corporation's religious, charitable, or educational purposes or if the gift or grant would require serving a private as opposed to a public interest.

#### **ARTICLE 4 MEMBERSHIP**

This Corporation shall have no members.

**ARTICLE 5**  
**MANAGEMENT OF THE CORPORATION**  
**BOARD OF DIRECTORS**

**5.01 Management.** Power to manage and govern the affairs of the Corporation is vested in the Board of Directors of the Corporation.

**5.02 Number of Directors.** The Board of Directors shall consist of at least three (3) persons as required by the Code, but shall not consist of more than nine (9) persons.

**5.03 Term of Directors.** Each Director shall hold office for a period of one (1) year or until his successor is elected, appointed, or designated herein, and may serve successive terms.

**5.04 Chairman of the Board.** The members of the Board shall elect a Chairman who shall preside at all the meetings of the Board of Directors. The members of the Board shall also elect a Vice-Chairman to serve as Chairman of the Board of Directors in the Chairman's absence.

**5.05 Powers.** The Board of Directors shall have all of the rights, powers, and responsibilities of a board of directors pursuant to the Code, subject to any limitations under the Code, the Certificate of Formation of the Corporation, and these Bylaws. All corporate powers shall be exercised by or under the authority of the Board of Directors. The Board of Directors shall have final authority for affairs pertaining to property and other temporal matters as required by civil law for nonprofit corporations. In particular, the Board of Directors shall be responsible for the acquisition and disposition of Corporation property, which includes the management of its financial resources. The Board of Directors shall have the power to buy, sell, mortgage, pledge or encumber any property of the Corporation and incur related indebtedness.

**5.06 Nomination and Election.** At any meeting at which the election of a Director occurs, any Director then on the Board may nominate a candidate with the second of any other Director then on the Board. A person who meets any qualification requirements to be a Director and who has been duly nominated may be elected as a Director.

**5.07 Vacancies.** Any vacancy occurring in the Board of Directors, and any Director position to be filled due to an increase in the number of Directors, shall be filled by the Board of Directors. A vacancy is filled by the affirmative vote of the majority of the remaining Directors, even if it is



less than a quorum of the Directors, or if it is a sole Director. A person so elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

**5.08 Meetings.** Regular or Special meetings of the Board of Directors may be held either within or outside the State of Texas, but shall be held at the Corporation's principal office in Midlothian, Ellis County, Texas if the notice thereof does not specify the location of the meeting. A regular or special meeting may be held at any place consented to in writing by all of the Directors, either before or after the meeting. If such consents are given, they shall be filed with the minutes of the meeting. Any meeting, regular or special, may be held by conference telephone or similar communication equipment, as long as all Directors participating in the meeting can hear one another. All Directors shall be deemed to be present in person at a meeting conducted in accordance with the foregoing sentence. A regular meeting of the Board of Directors shall occur at least annually.

**(a) Regular Meetings.** Regular meetings of the Board of Directors may be held without notice if the time and place of such meetings are fixed by a resolution of the Board of Directors.

**(b) Special Meetings.** A special meeting of the Board of Directors may be called by the Chairman or any two (2) members of the Board of Directors.

**(c) Notice of Special Meetings.**

1) Manner of Giving. Notice of the date, time and place of special meetings shall be given to each Director by one of the following methods: (a) by personal delivery of written notice; (b) by first class mail, postage paid; (c) by telephone communication, either directly to the Director or to a person at the Director's office or home who the person giving the notice has reason to believe will promptly communicate the notice to the Director; (d) by telecopier to the Director's office or home; or (e) by electronic mail ("e-mail").

2) Time Requirements. Notice sent by first class mail shall be deposited in the United States mail at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, telecopier, or e-mail shall be delivered, telephoned, faxed or e-mailed to the Director or given at least twenty-four (24) hours before the time set for the meeting.

3) Notice Contents. The notice shall state the time and place for the meeting. However, the notice does not need to specify the place of the meeting if the special meeting is to be held at the Corporation's principal office. Unless otherwise expressly stated herein, the notice does not need to specify the purpose or the business to be transacted at the special meeting.

4) Waiver. Attendance of a Director at a meeting shall constitute waiver of notice of such meeting, except where the Director attends a meeting for the express purpose of objecting that the meeting is not properly called.

**5.09 Action Without Meeting.** Any action required or permitted to be taken by the Board of Directors may be taken without a meeting if all of the Directors, individually or collectively, consent in writing to the action. Such action by written consent or consents shall be filed with the minutes of the proceedings of the Corporation.

**5.10 Quorum.** A majority of the number of Directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. The Directors present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough Directors leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of Directors in attendance required to constitute a quorum. If a quorum is present at no time during a meeting, a majority of the Directors present may adjourn and reconvene the meeting one time without further notice.

**5.11 Proxies.** Voting by proxy is prohibited.

**5.12 Duties of Directors.** Directors shall discharge their duties, including any duties as Committee members, in good faith, with ordinary care, and in a manner they reasonably believe to be in the best interest of the Corporation. Directors may in good faith rely on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Corporation or another person that were prepared or presented by a variety of persons, including officers and employees of the Corporation, professional advisors or experts such as accountants or legal counsel. A Director is not relying in good faith if the Director has knowledge concerning a matter in question that renders reliance unwarranted.

Directors are not deemed to have the duties of trustees of a trust with respect to the Corporation or with respect to any property held or administered by the Corporation, including property that may be subject to restrictions imposed by the donor or transferor of the property.

**5.13 Delegation of Duties.** The Board of Directors is entitled to select advisors and delegate duties and responsibilities to them, such as the full power and authority to purchase or otherwise acquire stocks, bonds, securities, and other investments on behalf of the Corporation; and to sell, transfer, or otherwise dispose of the Corporation's assets and properties at a time and for a consideration that the advisor deems appropriate. Directors have no personal liability for actions taken or omitted by the advisor if the Board of Directors acts in good faith and with ordinary care in selecting the advisor. The Board of Directors may remove or replace the advisor, with or without cause.

**5.14 Interested Parties.** Pursuant to the Law and the provisions of Article 9 below, a contract or transaction between the Corporation and a Director of the Corporation is not automatically void or voidable simply because the Director has a financial interest in the contract or transaction.

**5.15 Actions of Board of Directors.** The Board of Directors shall try to act by consensus. However, the vote of a majority of the Directors present and voting at a meeting at which a quorum is present shall be sufficient to constitute the act of the Board of Directors unless the act of a greater number is required by law or the bylaws. A Director who is present at a meeting and abstains from a vote is considered to be present and voting for the purpose of determining the decision of the Board of Directors. Directors may not be present by proxy.

**5.16 No Compensation.** Directors shall not receive salaries or compensation for their services to the Board of Directors. The Board of Directors may adopt a resolution providing for payment to Directors for expenses of attendance, if any, at a meeting of the Board of Directors. A Director may serve the Corporation in any other capacity and receive reasonable compensation for those services.

**5.17 Removal of Directors.** The Board of Directors may vote to remove a Director, other than the Chairman, at any time, with or without cause. The Chairman of the Board may only be removed with cause. A meeting to consider the removal of a Director may be called and noticed following the procedures provided in these Bylaws. A Director may be removed by the affirmative vote of a majority of the Directors.

**5.18 Resignation of Directors.** Any Director may resign at any time by giving written notice to the Corporation. Such resignation shall take effect on the date of the receipt of such notice, or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**5.19 Corporation Questions.** In any case where a question arises regarding questions of property of the Corporation, or with respect to any other matter that shall arise concerning the Corporation and its internal workings, the Board of Directors shall decide such question by majority vote.

**5.20 Deadlock.** In the case where the Board of Directors shall, by reason of deadlock (whether because an even number of Directors is seated on the Board of Directors, or because certain Directors are absent even though a quorum is present, or because of abstention, or for any

other reason), be unable to reach a conclusive vote on any issue before the Board of Directors, then, in such instance, the Chairman of the Board shall cast an additional ballot which shall be known as a "majority ballot," so that an official act or decision may be taken by the Board of Directors. The majority ballot shall be cast in addition to the regular Director's vote cast by the Chairman.

## **ARTICLE 6 OFFICERS**

**6.01 Officer Positions.** The officers of the Corporation shall be the President, Vice President, Secretary, and Treasurer. The Board of Directors may create additional officer positions, define the authority and duties of each such position, and appoint persons to fill the positions. None of the said officers need be a Director, and any two of these offices may be combined, except for that of the President and Secretary.

**6.02 Election and Term of Office.** The officers of the Corporation shall be elected by the Board of Directors at a regular or special meeting of the Board of Directors and shall hold office until they resign, are terminated, or upon death.

**6.03 President.** The President is the Chief Executive Officer of the Corporation and shall supervise and control all of the business and day-to-day affairs of the Corporation. The President is expressly authorized to do all things necessary and proper to fulfill his leadership position and to fulfill all duties incident to the office of President.

**6.04 Vice President.** The Board of Directors shall, by majority vote, elect the Vice President of the Corporation. When the President is unable to act, or refuses to act, or the office of President is vacant, the Vice President shall perform the duties of the President. When the Vice President acts in place of the President, the Vice President shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall perform other duties as assigned by the President or Board of Directors. Except as expressly authorized by the Board of Directors, the Vice President shall have no authority to sign for or otherwise bind the Corporation.

**6.05 Treasurer.** The Board of Directors shall, by majority vote, elect the Treasurer of the Corporation. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the Corporation; (b) receive and give receipts for moneys due and payable to the Corporation from any source; (c) deposit all moneys in the name of the Corporation in banks, trust companies, or other depositories as provided in the Bylaws or as directed by the Board of Directors;

(d) write checks and disburse funds to discharge obligations of the Corporation; (e) maintain the financial books and records of the Corporation; (f) prepare financial reports at least annually; (g) perform other duties as assigned by the President or by the Board of Directors; (h) if required by the Board of Directors, give a bond for the faithful discharge of his or her duties in a sum and with a surety as determined by the Board of Directors; and (i) perform all of the duties incident to the office of treasurer.

**6.06 Secretary.** The Board of Directors shall, by majority vote, elect the Secretary of the Corporation. The Secretary shall: (a) give all notices as provided in the Bylaws or as required by law; (b) take minutes of the meetings of the members and of the Board of Directors and keep the minutes as part of the corporate records; (c) maintain custody of the corporate records and of the seal of the Corporation; (d) affix the seal of the Corporation to all documents as authorized; (e) keep a register of the mailing address of each Director, officer, and employee of the Corporation; (f) perform duties as assigned by the President or by the Board of Directors; and (g) perform all duties incident to the office of secretary.

**6.07 Removal of Officers.** The officers of the Corporation, other than the President, may be removed, with or without cause, by a majority vote of the Board of Directors. The President may be removed with cause by a majority vote of the members of the Board of Directors.

**6.08 Resignation of Officers.** Any Officer may resign at any time by giving written notice to the Corporation. Any such resignation shall take effect on the date of the receipt of such notice, or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**6.09 Vacancies.** A vacancy in any office shall be filled only in the manner prescribed in these Bylaws for regular appointment or election to that office.

## **ARTICLE 7 COMMITTEES AND ADVISORY TEAMS**

**7.01 Establishment.** The Board of Directors may, at its discretion, adopt a resolution establishing one or more Committees or Advisory Teams. Any and all Advisory Teams shall conform to rules established by the Board of Directors.

**7.02 Independent Compensation Committee.** Annually, the Board of Directors shall adopt a resolution establishing an Independent Compensation Committee. At least two of the persons serving on the Committee shall be Directors. The Committee shall be elected by a vote of the Board of Directors. The Independent Compensation Committee shall determine and approve the compensation for all executive employees. (Executive employees are hereby defined as employees in a position to exert substantial influence over the Corporation, such as, but not limited to, the officers of the Corporation.) In so doing, the Independent Compensation Committee may consider duties, performance evaluations, compensation comparability data, and other relevant information. No executive employees shall participate in the Independent Compensation Committee's discussion and formulation of, or vote regarding, salary and benefits.

**7.03 Delegation of Authority.** Each Committee shall consist of two (2) or more persons, the majority of whom shall be Directors. If, in addition to the Independent Compensation Committee, the Board of Directors establishes or delegates any of its authority to a Committee, it shall not relieve the Board of Directors, or Director, of any responsibility imposed by these Bylaws or otherwise imposed by law. The Board of Directors shall define by resolution the activities and scope of authority and the qualifications, in addition to those set forth herein, for membership on all Committees.

No Committee shall have the authority to: (a) amend the Certificate of Formation; (b) adopt a plan of merger or a plan of consolidation with another Corporation; (c) authorize the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of the Corporation; (d) authorize the voluntary dissolution of the Corporation; (e) revoke proceedings for the voluntary dissolution of the Corporation; (f) adopt a plan for the distribution of the assets of the Corporation; (g) amend, alter, or repeal the Bylaws; (h) elect, appoint, or remove a member of a Committee or a Director or officer of the Corporation; (i) approve any transaction to which the Corporation is a party and that involves a potential conflict of interest as defined in Section 9 below; or (j) take any action outside the scope of authority delegated to it by the Board of Directors or in contravention of the Code.

The Board of Directors may designate various Advisory Teams not having or exercising the authority of the Board of Directors. Such Advisory Teams shall only function in an advisory capacity to the Board of Directors. The President shall have the power to appoint and remove members of all Advisory Teams. The President shall serve as an ex officio member of all Advisory Teams. The Board of Directors shall define, by resolution, the scope of activities and the qualifications for membership on all Advisory Teams.

## **ARTICLE 8**

## TRANSACTIONS OF THE CORPORATION

**8.01 Contracts and Legal Instruments.** Subject to Article 9 below, the Board of Directors may authorize an individual officer or agent of the Corporation to enter into a contract or execute and deliver any instrument in the name of and on behalf of the Corporation. This authority may be limited to a specific contract or instrument, or it may extend to any number and type of possible contracts and instruments.

**8.02 Deposits.** All funds of the Corporation shall be deposited to the credit of the Corporation in banks, trust companies, or other depositories that the Board of Directors selects.

**8.03 Gifts.** The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the general purposes or any special purpose of the Corporation including, but not limited to, gifts of money, annuity arrangements, securities, and other tangible and intangible personal property, real property, and interest therein. The Board of Directors may make gifts and give charitable contributions that are not prohibited by these Bylaws, the Certificate of Formation, state law, or any requirements for maintaining the Corporation's federal and state tax status.

### **8.04 Ownership and Distribution of Property.**

(a) The Corporation shall hold, own, and enjoy its own personal and real property, without any right of reversion to another entity, except as provided in these Bylaws.

(b) "Dissolution" means the complete disbanding of the Corporation so that it no longer functions as a congregation or as a corporate entity. Upon the dissolution of the Corporation, its property shall be applied and distributed as follows: (1) all liabilities and obligations of the Corporation shall be paid and discharged, or adequate provision shall be made therefore; (2) assets held by the Corporation upon condition requiring return, transfer, or conveyance, which condition occurs by reason of the dissolution, shall be returned, transferred, or conveyed in accordance with such requirements; (3) assets received and not held upon a condition requiring return, transfer, or conveyance by reason of the dissolution, shall be transferred or conveyed to one or more domestic or foreign corporations, societies, or organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law), and are engaged in activities substantially similar to those of the Corporation; this distribution shall be done pursuant to a plan adopted by the Board of Directors; and (4) any assets not otherwise disposed of shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the corporation is then located, for such purposes and to such organizations as said court shall determine, provided such organizations are in agreement with the Corporation's basic form of Government.

**8.05 Real Property.** Title to real property of the Corporation shall be in the name of the Corporation. Real property may be purchased in the name of or on behalf of the Corporation with the affirmative vote of the Board of Directors. Real property of the Corporation may be sold, mortgaged, conveyed, transferred, or otherwise disbursed with the affirmative vote of the Board of Directors.

**8.06 Approval of Purchases.** The purchases of fixed assets in excess of \$25,000.00 shall be subject to the prior approval of the Board of Directors.

**8.07 Whistleblower Policy.** The Directors shall establish policies and procedures by which any person with good cause to reasonably suspect that the Corporation, as a corporation and/or by and through its officers, directors, employees, volunteers or agents, has engaged in conduct that is contrary to law may report such conduct to the Directors or their designated committee or representative and not face any form of retaliation for making such a report. The Directors, or their designees, shall immediately and thoroughly investigate such reports and make their findings and recommendations to the Directors.

## **ARTICLE 9 CONFLICT OF INTEREST POLICY**

**9.01 Purpose.** The purpose of the conflict of interest policy is to protect the Corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a director or officer of the Corporation, or might result in a possible excess benefit transaction. This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations.

### **9.02 Definitions.**

**Interested Person.** Any director, principal officer, or member of a committee with powers delegated by the Board of Directors, who has a direct or indirect financial interest, as defined below, is an interested person.

**Financial Interest.** A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:



An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement;

A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement; or

A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

Compensation includes direct or indirect remuneration, as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest.

### **9.03 Procedures.**

**Duty to Disclose.** In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given opportunity to disclose all material facts to the Board of Directors.

**Determining Whether a Conflict of Interest Exists.** After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he or she shall leave the Board meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board members shall decide if a conflict of interest exists.

#### **Procedures for Addressing the Conflict of Interest.**

An interested person may make a presentation at the Board meeting, but after the presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

The chairman of the Board of Directors may, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

After exercising due diligence, the Board of Directors shall determine whether the Corporation can obtain, with reasonable efforts, a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board of Directors shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interests, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision whether to enter into the transaction or arrangement.

#### **Violations of the Conflicts of Interest Policy.**

If the Board of Directors has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board of Directors determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

**9.04 Records of Proceedings.** The minutes of the Board of Directors shall contain:

The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board of Director's decision as to whether a conflict of interest in fact existed.

The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

#### **9.05 Compensation.**

A voting member of the Board of Directors who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.

No voting member of the Board of Directors or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

## **ARTICLE 10 BOOKS AND RECORDS**

**10.01 Required Books and Records.** The Corporation shall keep correct and complete books and records of account.

**10.02 Fiscal Year.** The fiscal year of the Corporation shall begin on the first day of January and end on the last day in December in each year.

**10.03 Audited Financial Statements.** The Corporation shall have each annual financial statement of the Corporation audited by a certified public accounting firm selected by the Board of Directors.

## **ARTICLE 11 INDEMNIFICATION**

**11.01 Indemnification.** To the full extent permitted by the Code, as amended from time to time, the Corporation shall indemnify any Director, officer, committee member, employee, or agent of the Corporation who was, is, or may be named a defendant or respondent in any proceeding as a result of his or her actions or omissions within the scope of his or her official capacity in the Corporation. Reasonable expenses may be advanced by the Corporation in defending such actions.

**11.02 Determination of Right.** A determination of the right to indemnification under the Code shall be made by legal counsel selected by the majority vote of the Board of Directors.

## **ARTICLE 12**

### **MISCELLANEOUS PROVISIONS**

**12.01 Amendments to Bylaws.** These Bylaws may only be altered, amended, or repealed, and new bylaws may only be adopted by a majority vote of the Board of Directors.

**12.02 Construction of Bylaws.** These Bylaws shall be construed in accordance with the laws of the State of Texas. All references in the Bylaws to statutes, regulations, or other sources of legal authority shall refer to the authorities cited, or their successors, as they may be amended from time to time. If any Bylaw provision is held to be invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability shall not affect any other provision and the Bylaws shall be construed as if the invalid, illegal, or unenforceable provision had not been included in the Bylaws. The headings used in the Bylaws are used for convenience and shall not be considered in construing the terms of the Bylaws. Wherever the context requires, all words in the Bylaws in the male, female or neuter genders shall be deemed to include the other genders, all singular words shall include the plural, and all plural words shall include the singular.

**12.03 Seal.** The Board of Directors may provide for a corporate seal.

**12.04 Power of Attorney.** A person may execute any instrument related to the Corporation by means of a power of attorney if an original executed copy of the power of attorney is provided to the secretary of the Corporation to be kept with the Corporation records.

**12.05 Parties Bound.** The Bylaws shall be binding upon and inure to the benefit of the Corporation's Directors, officers, employees, and agents of the Corporation and their respective heirs, executors, administrators, legal representatives, successors, and assigns except as otherwise provided in the Bylaws.

**12.06 Alternative Dispute Resolution.** All disputes which may arise between any Director, officer, employee, volunteer, agent, or other member of this Corporation of the Corporation and the Corporation itself shall be resolved by mediation, and if not resolved by mediation, then by binding arbitration under the procedures and supervision of the American Arbitration Association. Judgment upon an arbitration award may be entered in any court otherwise having jurisdiction. The parties each agree to bear their own costs related to any mediation or arbitration proceeding including payment of their own attorneys' fees. Either party may file a motion seeking temporary

injunctive relief from a court of competent jurisdiction in order to maintain the status quo until the underlying dispute or claim can be submitted for mediation or arbitration.

If a dispute may result in an award of monetary damages that could be paid under a Corporation insurance policy, then use of the conciliation, mediation, and arbitration procedure is conditioned on acceptance of the procedure by the liability insurer of the Corporation and the insurer's agreement to honor any mediation, conciliation or arbitration award up to any applicable policy limits. The mediation, conciliation, and arbitration process is not a substitute for any disciplinary process set forth in the Bylaws of the Corporation, and shall in no way affect the authority of the Corporation to investigate reports of misconduct, to conduct hearings, or to administer discipline of members.

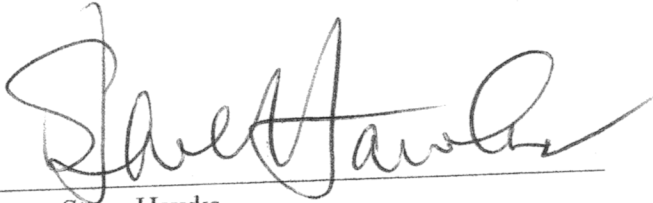
### **ARTICLE 13**

#### **EMERGENCY POWERS AND BYLAWS**

An "emergency" exists for the purposes of this section if a quorum of the Board of Directors cannot readily be obtained because of some catastrophic event. In the event of an emergency, the Board of Directors may: (i) modify lines of succession to accommodate the incapacity of any Board of Directors member, officer, employee, or agent; and (ii) relocate the principal office, designate alternative principal offices or regional office, or authorize officers to do so. During an emergency, notice of a meeting of the Board of Directors only needs to be given to those Board of Directors members for whom such notice is practicable. The form of such notice may also include notice by publication or radio. One or more officers of the Corporation present at a meeting of the Board of Directors may be deemed Board of Directors members for the meeting, as necessary to achieve a quorum. Corporate action taken in good faith during an emergency binds the Corporation and may not be the basis for imposing liability on any Board of Directors Member, officer, employee, or agent of the Corporation on the ground that the action was not authorized. The Board of Directors may also adopt emergency bylaws, subject to amendments or repeal by the full Board of Directors, which may include provisions necessary for managing the corporation during an emergency including; (i) procedures for calling a meeting of the Board of Directors; (ii) quorum requirements for the meeting; and (iii) designation of additional or substitute Board of Directors members. The emergency bylaws shall remain in effect during the emergency and not after the emergency ends.

### **CERTIFICATE OF SECRETARY**

I certify that I am the duly elected and acting secretary of 360 Grassroots and that the foregoing Bylaws constitute the Bylaws of the Corporation. These Bylaws were duly adopted by the Board of Directors of the Corporation dated October 27, 2010.

A handwritten signature in black ink, appearing to read "Steve Hawks", written over a horizontal line.

**Name:** Steve Hawks

**Title:** Secretary