

**BYLAWS OF H -GAC CORPORATION
FOR REGIONAL EXCELLENCE**

ARTICLE 1: NAME AND PURPOSE

1.1 Name

The name of the corporation is H- GAC Corporation for Regional Excellence (the "Corporation").

1.2 Purpose

This Corporation is organized exclusively for charitable, scientific, testing for public safety, literary, or educational purposes, or the prevention of cruelty to children or animals as set forth in the Articles of Incorporation of the Corporation and as defined in section 501 (c)(3) of the Internal Revenue Code of 1986, as amended (the "Code "). More specifically, the Corporation is organized solely as an organization described in section 501(c)(3) of the Code and exempt from taxation under section 501 (a) of the Code. The Corporation shall be operated exclusively for such purposes, and except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payment and distributions in furtherance of charitable and educational purposes, no part of its net earnings shall inure to the benefit of, or be distributable to, any director, officer or other private person. No substantial part of the activities of the Corporation shall be carrying on propaganda, or otherwise attempting to influence legislation, and it 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. The Corporation pledges all its assets for use in performing the functions described above.

1.3 Registered Office

The Corporation may have, in addition to its registered office, offices at such places, both within and without the State of Texas, as the board of directors may from time to time determine or as the activities of the Corporation may require.

ARTICLE 2: BOARD OF DIRECTORS

2.1 Number

The direction and management of the affairs of the Corporation and the control and disposition of its properties and funds shall be vested in a board of directors (the "Board") which shall consist of not less than three (3) persons. Such number of directors shall from time to time be fixed and determined by the Board and shall be set forth in the notice of any meeting of the Board held for the purposes of electing directors. Until changed by the Board in accordance with these Bylaws, the number of directors constituting the Board shall be three (3).

2.2 Term & Tenure

Each director shall serve for a term of three (3) years following the date of appointment and until his or her successor shall have been appointed, unless he or she dies or is sooner removed or resigns pursuant to these Bylaws. Directors constituting the initial Board of Directors shall serve original terms of office as follows:

- A.)** one (1) shall serve an original term of office commencing upon the inception of the Corporation and ending one year thereafter or until their successors have been appointed, and
- B.)** one (1) shall serve an original term of office commencing upon the inception of the Corporation and ending two years thereafter or until their successors have been appointed and
- C.)** one (1) shall serve an original term of office commencing upon the inception of the Corporation and ending three years thereafter or until their successors have been appointed.

The determination of which directors named as initial directors in the Articles of Incorporation shall serve original terms of office as set forth hereinabove shall be determined by the initial Board at the organization meeting thereof.

No director may serve more than (2) consecutive terms. This term limitation may be waived by the Board. Notwithstanding the foregoing, a former director who has served two (2) consecutive terms shall be eligible for reappointment as a director after an absence from serving as a director of one year or more.

2.3 Vacancies

Successor directors shall be nominated by the chair from nominees designated the Houston-Galveston Area Council and elected by the Board to hold office for a period of three (3) years or until their successors are duly elected and qualified. A director elected by virtue of an increase in the number of directors of the Corporation shall hold office until the next annual meeting of directors and until his or her successor is duly elected and qualified. A vacancy shall be declared in any seat on the Board upon the death, resignation or removal of the occupant thereof, or upon the disability of any occupant rendering him or her permanently incapable of participating in the management and affairs of the Corporation. In case of election to fill a vacancy, the term of the successor shall be for the unexpired term for which the former occupant thereof was elected.

2.4 Resignation of Directors

Each director shall have the right to resign at any time upon written notice thereof to the president or secretary/treasurer of the Corporation. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof, and the acceptance of such resignation shall not be necessary to make it effective.

2.5 Removal of Directors

The Board may remove a director from the Board at any time when such removal is determined by the Board to be in the best interest of the Corporation and

- (i) Such removal is approved by at least two-thirds (2/3rds) of the directors, excluding the director to be removed,
- (ii) Such action is taken at a meeting of the directors for which at least five (5) days' notice was given.

2.6 Annual Meeting

The annual meeting of the Board for the election of officers and the transaction of such other business as may lawfully come before the meeting shall be held at such time and on such day as established from time to time by the Board. The chair of the Board or the secretary/treasurer of the Corporation shall give a minimum of five (5) days ' notice of such meeting to each director, either personally or by mail, e-mail, or fax.

2.7 Order of Business

The order of business at the annual meeting should be as follows:

1. Roll Call.
2. Reading of the notice of the meeting.
3. Reading of the minutes of the preceding meeting and action thereon.
4. Acknowledge election of directors by Board.
5. Reports of officers.
6. Election of officers.
7. Miscellaneous business.

2.8 Additional Meetings

Meetings of the Board shall be held no less than quarterly and additional meetings shall be held whenever called by the chair of the Board of the Corporation or upon written request of any two directors. The chair of the Board or the secretary shall give five days' notice of each such quarterly meeting and any special meeting either personally or by mail, e-mail, or fax.

2.9 Quorum for Meetings

A majority of the directors shall constitute a quorum for the transaction of business at all meetings convened according to these Bylaws.

2.10 Voting

The affirmative vote of a majority of the directors presents at a meeting at which a quorum is present shall be the act of the Board, except as may be otherwise specifically provided by law or these Bylaws.

2.11 Proxies

A director may vote at a meeting of the Board by proxy executed in writing by the director and delivered to the secretary of the Corporation at or prior to such meeting however, a director present by proxy at any meeting of the Board may not be counted to determine whether a quorum is present at such meeting. Each proxy shall be revocable 5 unless expressly provided therein to be irrevocable, and unless otherwise made irrevocable by law.

2.12 Compensation

Directors, as such, shall not be entitled to any stated salary for their services but by resolution of the Board, expenses of attendance, if any, may be allowed for attendance at each meeting of the Board.

ARTICLE 3: NOTICES

3.1 Form of Notice

Whenever under the provisions of these Bylaws, notice is required to be given to any director and no provision is made as to how such notice shall be given, it shall not be construed to mean personal notice, but any such notice may be given in writing by mail,

postage prepaid, addressed to such director at such address as appears on the books of the Corporation. Any notice required or permitted to be given by mail shall be deemed to be given at the time when the same be thus deposited, postage prepaid, in the United States mail as aforesaid.

3.2 Waiver

Whenever any notice is required to be given to any director under the provisions of these Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

ARTICLE 4: GENERAL OFFICES

4.1 Election

The officers of the Corporation shall be a chair of the Board, a vice chair, a president, a secretary/treasurer and such other officers as may be determined and selected by the Board. The Board, at its first meeting and annually thereafter at the annual meeting, shall elect the officers from nominations provided by the chair. The officers so elected shall hold office for a period of one year and until their successors are elected and qualified. The offices of president and secretary /treasurer may not be filled by the same person, but all other offices may be filled by the same person.

4.2 Attendance at Meetings

The chair of the Board, and in his or her absence, the vice chair, shall call meetings of the Board to order, and shall act as chair of such meetings. The secretary/treasurer of the Corporation shall act as secretary of all such meetings, but in the absence of the secretary/treasurer the chair of the Board may appoint any person present to act as secretary of the meeting.

4.3 Duties

The principal duties of the several officers are as follows:

- (a) **Chair of the Board** - He or she shall preside at all meetings of the Board, shall nominate individuals to serve as directors and officers of the corporation, and may exercise the powers vested in him or her by the Board, by law or these Bylaws, or which usually attach or pertain to such office.
- (b) **Vice Chair** - He or she shall perform the duties of chair of the Board at any meeting in which the chair is unable to be present.
- (c) **President** - The president shall be the chief executive officer of the Corporation. He or she shall have general charge and supervision of the business property, and affairs of the Corporation. The president shall see that all orders and resolutions of the Board are carried into effect. The president shall sign and execute all legal documents and instruments in the name of the Corporation when authorized to do so by the Board and shall perform such other duties as may be assigned to him or her from time to time by the Board.
- (d) **Secretary/Treasurer** - The secretary/treasurer or other officer designated by the Board, shall do as follows:
 - (i) have charge of the records and correspondence of the Corporation, and shall be the custodian of the seal of the Corporation,
 - (ii) Give notice of and attend all meetings of the Board.
 - (iii) Take and keep true minutes of all meetings of the Board of which, ex officio, he or she shall be the secretary.
 - (iv) Keep account of all moneys, credits and property of the Corporation which shall come into his or her hands and keep an accurate account of all money received and discharged,
 - (v) except as otherwise ordered by the Board, have the custody of all the funds and securities of the Corporation and shall deposit the same in such banks or depositories as the Board shall designate.

- (vi) Keep proper books of account and other books always showing the amount of the funds and other property belonging to the Corporation, of which books shall be open at all times to the inspection of the Board.
- (vii) Submit a report of the accounts and financial condition of the Corporation at each annual meeting of the Board and from time to time as requested by the Board.
- (viii) Under the direction of the Board, disburse all moneys and sign all checks and other instruments drawn on or payable out of the funds of the Corporation.

4.4 Resignation

Any officer may resign at any time by giving written notice thereof to the president or secretary/treasurer of the Corporation. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof, and the acceptance of the resignation shall not be necessary to make it effective.

4.5 Removal

Any officer may be removed, either with or without cause, by the Board at any meeting of the Board at which a quorum is present.

4.6 Vacancies

Whenever a vacancy shall occur in any general office of the Corporation, such vacancy shall be filled by the chair of the Board subject to ratification by the Board at its next meeting after such appointment. Such new officer shall hold office until the next annual meeting and until his or her successor is elected and qualifies.

ARTICLE 5: APPOINTIVE OFFICERS AND AGENTS

The Board may appoint such officers and agents in addition to those provided for in Article 4, as may be deemed necessary, who shall have such authority and perform such duties as shall from time to time be prescribed by the Board. All appointive officers and agents shall hold their respective offices or positions at the pleasure of the Board and may be removed from office or discharged at any time with or without cause; if removal without cause shall not prejudice the contract rights, if any, of such officers and agents.

ARTICLE 6: COMMITTEES

6.1 Committees

The board may designate one or more committees as are necessary and which are not in conflict with other provisions of these Bylaws, and the duties of any such committee shall be prescribed by the Board upon its designation. Each committee shall consist of two or more persons appointed by the chair of the Board, who may, but need not be, directors of the Corporation. A committee shall limit its activities to the accomplishment of the tasks for which it is designated and shall have no power to act except as specifically conferred by action of the Board. Upon the completion of the task for which designated, such committee shall stand dissolved.

6.2 Delegation of Power

In the event the Board delegates any of its powers to a committee, any actions by such committee shall be subject to approval by the Board.

6.3 Quorum and Voting

A majority of the members of any committee shall constitute a quorum for the transaction of business at any meeting of such committee and the act of a majority of the committee members present at a meeting at which a quorum is present shall be the act of the committee.

6.4 Meetings and Notices

Meetings of any committee may be called by the president or the chair of the committee. Each committee shall meet as often as is necessary to perform its duties. Notice may be given at any time and in any manner reasonably designed to inform the members of the time and place of the meetings. Each committee shall keep minutes of its' proceedings.

6.5 Resignations and Removals

Any member of any committee may resign at any time by giving notice to the chair of the committee or the secretary/treasurer of the Corporation. Unless otherwise specified in the notice, such resignation shall take effect upon receipt thereof, and the acceptance of such resignation shall not be necessary to make it effective. The Board may remove at any time with or without cause any member of any committee who was originally appointed thereto by the chair or Board as provided in these Bylaws.

6.6 Vacancies

A vacancy on any committee shall be filled for the unexpired portion of the term of the former occupant in the same manner in which an original appointment to such committee is made.

ARTICLE 7: ACTION BY WRITTEN CONSENT

7.1 Action by Majority Written Consent

Any action required to be taken, or which may be taken at a meeting of the Board or a 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 as it would be necessary to take that action at a meeting at which all of the directors or committee members were present and voted.

7.2 Form of Consent

Each consent shall bear the date of the signature of each director or committee member who signs the consent. A written consent signed by less than all of the directors or committee members is not effective to take the action that is the subject of the consent unless, within sixty (60) days after the date of the earliest dated consent delivered to the Corporation, a consent or consents signed by the required number of directors or committee members is delivered to the Corporation at its registered office, registered agent, principal place of business, transfer agent, registrar, exchange agent, or to an officer or agent of the Corporation having custody of the books in which proceedings of meetings of the Board or committees are recorded. Delivery shall be by hand or certified or registered mail, return receipt requested. Delivery to the Corporation's principal place of business shall be addressed to the president or principal executive officer of the Corporation.

7.3 Notice to Directors and Committee Members

Prompt notice of the taking of any action by the Board or a committee without a meeting by less than unanimous written consent shall be given to all directors or committee members who did not consent in writing to the action.

7.4 Validity of Consent

A telegram, telex, cablegram, or similar transmission by a director or committee member or a photographic, photostatic, facsimile, or similar reproduction of a writing signed by a director or committee member shall be regarded as signed by the director or committee member for purposes of this Article 7.

ARTICLE 8: INDEMNIFICATION OF DIRECTORS AND OFFICERS

8.1 Indemnification

The Corporation shall indemnify directors, officers, employees, and agents of the Corporation to the fullest extent required by Article 2.22A of the Act and may indemnify such persons to the fullest extent permitted by Article 2.22A of the Act, subject in each case to restrictions, if any, in the Corporation's articles of incorporation. The Corporation shall have the power to purchase and maintain at its cost and expense insurance on behalf of such persons to the fullest extent permitted by Article 2.22A of the Act.

8.2 Appearance as a Witness

Notwithstanding any other provisions of this Article 8, the Corporation may pay or reimburse expenses incurred by a director or others in connection with his or her appearance as a witness or other participation in a proceeding a time when such director is not a named defendant or respondent in the proceeding.

8.3 Nonexclusivity of Rights

The right to indemnification and the advancement and payment of expenses conferred in this Article 8 shall not be exclusive of any other right which a director or other individual person indemnified pursuant to Section 8.1 may have or hereafter acquire under any law (common or statutory), provision of the Articles of Incorporation or these Bylaws, agreement, vote of disinterested directors or otherwise.

8.4 Insurance

The Corporation shall purchase and maintain insurance, at its expense, to protect itself and any person who is or was serving as a director, manager, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, manager, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic company, corporation, partnership joint venture, sole proprietorship, trust, employee benefit plan or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such individual person against such expense, liability or loss-under-this- Article 8.

8.5 Savings Clause

If this Article 8 or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify and hold harmless each director or any other individual person indemnified pursuant to this Article as to costs, charges and expenses (including attorneys' fees), judgments, fines and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative to the full extent permitted by any applicable portion of this Article that shall not have been invalidated and to the fullest extent permitted by applicable law.

ARTICLE 9: AMENDMENTS TO BYLAWS

The initial bylaws of the Corporation shall be adopted by its Board, and the power to alter, amend or repeal the bylaws or to adopt new bylaws shall be vested in the Board provided, any such action must be approved by at least two-thirds (2/3rd) of the directors then serving on the Board.

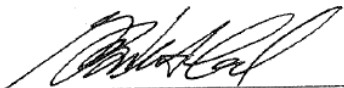
ARTICLE 10: FISCAL YEAR

The fiscal year of the Corporation shall be January 1 through December 31.

CERTIFICATE

I, the undersigned officer of H-GAC Corporation for Regional Excellence (the "Corporation"), a Texas non-profit corporation, do hereby certify that the foregoing Bylaws were duly adopted as the Bylaws of the Corporation on date as followed, JUNE 11, 2003 by the affirmative vote of all the directors of the Corporation then in office.

Dated: 6-26-03



Name: Greg B. Westmacott
Title: SECRETARY / TREASURER