

**BYLAWS
OF
CRISWELL COLLEGE**

These Bylaws govern the affairs of Criswell College, a Texas nonprofit corporation (the "Corporation"), which is qualified as tax exempt under Internal Revenue Code Sec. 501 (c) (3). These Bylaws, revised October 1, 2015, replace and supercede in the entirety any Bylaws in place prior to the adoption of these Bylaws.

ARTICLE 1: OFFICES

1.01 **Principal Office.** The Corporation's principal office in Texas is located at 4010 Gaston Ave., Dallas, Texas 75246. The Corporation may have such other offices, in Texas or elsewhere, as the Board of Trustees may determine. The Board may change the location of any office of the Corporation.

1.02 **Registered Office and Registered Agent.** The Corporation will maintain a registered office and registered agent in Texas. The registered office may, but need not, be identical with the Corporation's principal office in Texas. The Board may change the registered office and the registered agent as permitted in the Texas Non-Profit Corporation Act.

ARTICLE 2: MISSION

2.01 **Mission.** The mission for which the Corporation is formed is set forth in the Corporation's Certificate of Formation, as amended, which provides principally for the operation of a Christian college to provide ministerial and professional higher education for men and women preparing to serve as Christian leaders throughout society, while maintaining an institutional commitment to biblical inerrancy. The Corporation's mission shall be periodically reviewed and approved by the Board of Trustees.

ARTICLE 3: MANAGEMENT OF CORPORATION

3.01 **No members.** The Corporation will have no members.

3.02 **Board of Trustees.** There shall be a self-perpetuating Board of Trustees that will conduct and manage the affairs of the Corporation, and control its business and property, except as

otherwise expressly limited by law, the Certificate of Formation or these Bylaws. The Board of Trustees shall serve as the Board of Directors of the Corporation.

ARTICLE 4: BOARD OF TRUSTEES

4.01 **Number.** The Board of Trustees of the Corporation shall be composed of twenty-one (21) individuals, plus any non-voting ex officio trustees appointed by the Board. The number of trustees may be decreased, although no decrease shall have the effect of shortening the term of any incumbent trustee, and may also be increased, with new trustees to be assigned proportionately to the Classes provided for below, by an amendment to these Bylaws. Notwithstanding the foregoing, the number of directors may not be decreased to fewer than five, exclusive of any non-voting ex officio members named by the Board of Trustees.

4.02 **Qualifications.** Members of the Board of Trustees shall be dedicated Christians who evidence deep spirituality and active love for the work of Christ. They are to be in agreement with the objectives of the Corporation and show active interest in its operations. They must freely subscribe and annually execute an affirmation of the Articles of Faith of Criswell College, believing without reservation that the Bible is the inerrant, infallible Word of God expressed in the Scriptures written under the inspiration and direction of the Holy Spirit. A copy of the current Articles of Faith of Criswell College is attached hereto as Schedule 1 and incorporated herein.

4.03 **Ex-Officio Trustees.** The President of the Corporation shall serve as an ex-officio member of the Board of Trustees. The Corporation is authorized to enter into association agreements with foundations, institutions, and organizations who are supportive of the mission of the Corporation and who provide financial support on a continuing basis for its regular operations and/or scholarship programs ("Associated Entities"), and any such association agreement may permit a specific office holder of the Associated Entity to serve as an ex-officio member of the Board of Trustees. The term of the association agreements shall not exceed three years but may be renewed by mutual agreement of the parties. Any one or more additional persons may also be designated by the trustees to serve as an ex-officio member of the Board of Trustees. All ex-officio members of the Board of Trustees must meet the qualifications set forth in Section 4.02. A person designated as an ex-officio member of the Board of Trustees (or his designee) is entitled to notice of and attend all meetings of the Board of Trustees, including any Executive Sessions of the Board. Ex-officio members of the Board of Trustees are not entitled to vote. Ex-officio members are subject to removal at any time by action of the Board of Trustees, provided that an ex-officio trustee of an Associated Entity who is removed will be replaced by another office holder of the Associated Entity.

4.04 Election and Term of Office. The members of the initial Board of Trustees of the Corporation shall be those individuals named in the Amended and Restated Certificate of Formation who shall serve until their successors are elected and qualified. The members of the Board of Trustees shall be elected by the majority vote of the trustees in attendance at the meeting of the Board whose terms are not then expiring. At the time of his or her election, each trustee shall be assigned to Class A, Class B, or Class C, and an effort shall be made to keep each class of trustees of approximately equal size. Each trustee shall hold office for a term of three calendar years.

No person may serve as a trustee for more than two consecutive three-year terms. After serving such consecutive terms, a person shall be ineligible for a period of twelve months, following which he or she shall be eligible for re-election.

No Board member may be elected or re-elected from a church that already has three sitting Board members. This restriction shall not apply to inaugural members of the Board.

4.05 Nominating Trustees. Nominations for trustees may be submitted by existing trustees (including the President and any other ex-officio trustees) in writing to the Executive Committee at least two weeks prior to the regular meeting of the Board, including any references or descriptive qualifications that the nominator desires to include. Any Associated Entities may provide nominations as provided for in the association agreement between the Corporation and the Associated Entity, and such individuals are to be given due consideration by the Board in the election of trustees. In no event may the nominees provided by any one Associated Entity constitute more than forty percent of the trustees elected to the Board.

4.06 Resignation. Any trustee may resign at any time by giving written notice to the Chairman of the Board. Such resignation shall take effect at the time specified therein, or, if no time is specified, at the time of acceptance thereof as determined by the Chairman of the Board.

4.07 Removal. Any trustee may be removed for cause, by a two-thirds vote of the remaining trustees, at a meeting of the Board of Trustees, provided notice of intention to act upon the question of removing the trustee has been stated as one of the purposes for calling the meeting. In the event this action is necessary, the trustee may request a hearing before an appeals committee of the Board. The Chairman of the Board shall appoint an ad hoc appeals committee of the Board for each case. The appeals committee shall meet with the trustee and submit a written report and recommendation to the Board, and the subsequent vote of the Board shall be final. Just cause for the removal of a trustee shall include: (a) failure to adhere to and uphold any of the principles set forth in the Articles of Faith of the Corporation, (b) consistent failure to attend meetings of the Board of Trustees, (c) Use of illegal drugs or conviction of any felony or other crime involving moral turpitude, or (d) any other conduct that would bring public reproach upon the Corporation.

4.08 **Vacancies.** Vacancies shall be filled by the majority vote of the remaining members of the Board of Trustees for the unexpired term of such vacancy. Nominations to fill any vacancies shall be submitted by existing trustees (including the President and any other ex-officio trustees) in writing to the Executive Committee as provided in Section 4.05. In the event the vacancy is in a position originally nominated by an Associated Entity, then the Associated Entity shall be permitted to submit a new nomination, provided that the association agreement with the Associated Entity is still in effect at the time of the vacancy.

4.09 **Regular Meetings.** The Board of Trustees shall participate in its annual meeting on the first Thursday of October, every year. At that meeting; Trustees and Officers will be elected. The Board of Trustees will also meet on the first Thursday of April every year. The time and place of each such meeting shall be set by the Executive committee and all members of the Board of Trustees shall be given at least ten (10) days notice of same. The Executive committee may elect to change the date of either meeting for good cause but must give the members of the Board of Trustees at least thirty (30) days notice of such change.

4.10 **Special Meetings.** Special meetings of the Board of Trustees may be called at the direction of a majority of: (a) the Chairman of the Board, (b) the Vice Chairman of the Board, (c) the President of the Corporation, or (d) five (5) members, acting in conjunction one with the other, of the Board of Trustees. Such meeting shall be held at such time, day and place as shall be designated in the notice of the meeting. Only the items specified in the notice of the meeting may be considered and acted on at a special meeting of the Board. A majority of the Board of Trustees may cancel the call of any special meeting.

4.11 **Notice.** Notice of Board meetings shall be provided as follows:

(a) **Regular Meetings** – Each Trustee shall be notified by mail, facsimile transmission, or email of the date, time and place of each regular meeting. Neither the business to be transacted at, nor the purpose of, any regular meeting of the Board of Trustees needs to be specified in the notice or any waiver of the meeting.

(b) **Special Meetings** – The person calling a special meeting shall notify each trustee by mail, facsimile transmission, or email of the date, time and place of each special meeting and the purpose or purposes for which the meeting is being called.

(c) **Time Restrictions and How Notice Becomes Effective** – Notice of a meeting of the Board of Trustees must be given at least ten (10) days prior to the date of a regular meeting and at least three (3) days prior to the date of a special meeting if in the latter case it includes email notice. Notice to a trustee by mail is deemed given three (3) days after same is deposited in the United States mail, certified mail, return receipt requested, postage prepaid, addressed to the trustee's last known address. Notice by facsimile transmission is deemed given when

transmitted to the trustee's last known facsimile reception number. Notice by email is deemed given when dispatched to the trustee's last known email address.

(d) **Waiver of Notice** – Whenever notice is required to be given to a member of the Board of Trustees under the provisions of the Texas Non-Profit Corporation Act, the Certificate of Formation, or these Bylaws, a waiver thereof in writing signed by the person entitled to such notice, whether before or after the time stated therein, is equivalent to the giving of the required notice. Attendance of a Trustee at any meeting of the Board of Trustees constitutes a waiver of notice of such meeting, except where a trustee (i) attends the meeting for the express purpose of objecting to the transaction of business on the ground that the meeting is not lawfully called or convened and (ii) makes such objection in writing prior to the transaction of any business and provides the President with a copy of such objection at least two (2) days in advance of the meeting.

4.12 **Quorum.** A majority of the trustees then in office shall constitute a quorum for the transaction of business at any meeting of the Board of Trustees. Ex officio trustees shall not be counted for determining a quorum.

4.13 **Authority and Duties of the Board.** The Board of Trustees shall have and exercise authority over the business and affairs of the Corporation, including the supervision and final settlement of financial and business matters, education programs and physical facilities. In connection with such duties, the Board of Trustees shall:

- (a) Determine and periodically review the mission and purposes of the Corporation.
- (b) Appoint the President, who shall be the chief executive officer of the Corporation, and set appropriate conditions of employment, including compensation.
- (c) Support the President and annually assess his performance.
- (d) Upon the recommendations of the President, appoint the administrative officers and review the compensation of Vice Presidents.
- (e) Review and approve proposed changes in the academic programs and other major enterprises of the Corporation consistent with the mission, plans, and financial resources of the Corporation.
- (f) Approve institutional policies that bear on faculty appointment, promotion, tenure, and dismissal as well as personnel or antidiscrimination policies for other categories of employees.

- (g) Approve the annual budget and changes to tuition and fees, regularly monitor the financial condition of the Corporation, and establish policy guidelines that affect all institutional assets including investments and the physical plant.
- (h) Contribute financially to the fund-raising goals for the Corporation, participate actively in strategies to secure sources of support, and authorize Corporation officers to accept gifts or bequests subject to Board policy guidelines.
- (i) Authorize any need for debt financing and approve the securing of loans.
- (j) Authorize the construction of new buildings, capitalization of deferred maintenance backlogs, and major renovations of existing buildings.
- (k) Authorize the purchase, sale and management of all land, buildings, or major equipment, and other major assets of the Corporation.
- (l) Authorize all transactions involving the Corporation's interest in First Dallas Media, Inc. or in radio station KCBI.
- (m) Approve policies that contribute to the best possible environment for students to learn and develop their abilities and that contribute to the best possible environment for the faculty to teach, pursue their scholarship, and perform public service. These policies include the protection of academic freedom consistent with the mission of the Corporation.
- (n) Approve all earned and honorary degrees through the faculty and President shall they recommend.
- (o) Periodically undertake assessments of the performance of the Board.
- (p) Require a regular program of assessment of institutional effectiveness and the use of the results thereof to improve the Corporation's performance.
- (q) Implement procedures for Board development and training.
- (r) Review the strategies and plan for growth and development of the College.
- (s) Oversee the Corporation's relationships with any other corporate entities whose primary purpose is to support the Corporation and/or its programs.
- (t) Approve the formal contractual agreements with any Associated Entities.

4.14 Manner of Acting. The Board of Trustees will try to act by consensus. However, if a consensus is not available, the vote of a majority of trustees present at a meeting at which a quorum is present is enough to constitute the act of the Board, unless the act of a greater number is required by law, by the Certificate of Formation, or by some other provision of these Bylaws. Each trustee shall have one vote. Voting by proxy shall not be permitted. If a quorum shall not be present at any meeting of the Board of Trustees, the trustees present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. At any such adjourned meeting at which a quorum shall later be present, any business may be transacted which might have been transacted at the meeting as originally convened. Each meeting of the Board of Trustees must be conducted in accordance with the most recent edition of *Robert's Rules of Order* insofar as they are not inconsistent with law, the Articles of Incorporation, or these Bylaws.

4.15 Restrictions on Transfer of Property. (a) Any sale, transfer, conveyance, encumbrance or hypothecation of any real property of the Corporation which constitutes a part of the campus of Criswell College or (b) any decision affecting the Corporation's interest in First Dallas Media, Inc. including any decisions involving radio station KCBI, must be approved by a two-thirds vote of the Board of Trustees.

4.16 Action by a Majority Written Consent. Every act, action, decision or determination required or permitted to be taken by the Board of Trustees of this Corporation or its Executive Committee, may be taken without a meeting, if a majority of the then members of the Board of Trustees, either individually or collectively, consent in writing to such act, action, decision or determination. The written consent or consents shall thereafter be filed with the minutes of the proceedings of the Board of Trustees. Any action taken by a majority written consent shall have the same force and effect as a majority vote of the Board of Trustees, at a meeting duly called and held of such Board of Trustees, with a quorum being present at all times. Any such majority written consent must reference this provision of the Bylaws of the Corporation and state that such consent is prima facie evidence of such authority.

4.17 Telephone Meetings. Any one or more trustees may participate in a meeting of the Board of Trustees by means of a conference telephone or similar telecommunications device, which allows all persons participating in the meeting to hear and communicate with each other. Participation by telephone shall be equivalent to presence in person at the meeting for purposes of determining if a quorum is present.

4.18 Conflicts of Interest. The Corporation has adopted a Conflict of Interest Policy. In support of that policy the following rules will apply:

(a) Contracts or transactions between trustees, officers, or agents who have a financial interest in the matter are not void or voidable solely for that reason.

(b) In the event any trustee has a conflict of interest that might limit such trustee's fair and impartial participation in Board deliberations or decisions regarding any matter in question, such trustee shall inform the Board as to the circumstances of such conflict. If those circumstances require the nonparticipation of the affected trustee, the Board may nonetheless request from the trustee any appropriate nonconfidential information which might inform its decisions. "Conflict of interest," as referred to herein, shall include but shall not be limited to, any transaction by or with the Corporation in which a trustee has a direct or indirect personal interest, or any transaction in which a trustee is unable to exercise impartial judgment or otherwise act in the best interests of the Corporation.

(c) No trustee shall cast a vote, nor take part in the final deliberation in any matter in which he or she, members of his or her immediate family, or any organization to which such trustee has allegiance, has a personal interest that may be seen as having a material adverse effect on the interests of the Corporation. Any trustee who believes he or she may have such a conflict of interest shall so notify the Board prior to deliberation on the matter in question, and the Board shall make the final determination as to whether any trustee has a conflict of interest in any matter. The transaction must be approved by a majority of the disinterested trustees or other group with the authority to authorize the transaction. The minutes of the Board meeting shall reflect disclosure of any conflict of interest and the recusal of the interested trustee in the determination of the conflict as well as the vote on the matter in question.

ARTICLE 5: COMMITTEES

5.01 **Committees.** The Board of Trustees may establish any standing or special committees as it deems necessary to carry out the responsibilities of the Board of Trustees. Each such committee shall consist of three (3) or more persons, a majority of whom are trustees. Unless otherwise specified by the Board of Trustees, only the Executive Committee shall be empowered to exercise the authority of the Board of Trustees. Designation of such committees and the delegation thereto of responsibilities shall not operate to relieve the Board of Trustees, or any individual trustee, of any responsibility imposed on the Board of Trustees or such trustee by law. The Chairman shall appoint each committee of the Board of Trustees and designate its chairman, other than the Executive Committee. The Chairman of the Board shall serve as chairman of the Executive Committee. Except as the Board of Trustees may otherwise direct, each committee may adopt rules governing the date, time and place of holding and the method of calling its meetings and the conduct of its proceedings. Each committee shall meet as provided by such rules or by resolution of the Board of Trustees. Until otherwise determined by the Board, standing committees, in addition to the Executive Committee, shall include (1) Finance and Audit Committee, (2) Academic Committee, (3) Properties Committee, and (4) Planning and Development Committee. Any special committee is permitted to have members who are not trustees.

5.02 **Executive Committee.** The Executive Committee shall consist of five Trustees, including the Chairman, Vice Chairman, Secretary and two Trustees appointed by a majority of the trustee officers. The Executive Committee shall have the power to act for the Board of Trustees ad interim in all matters with the following exceptions: the Executive Committee shall not have the power to elect or dismiss the President, elect or dismiss elected faculty, approve the annual budget, amend the Corporation's Certificate of Formation, Bylaws or Articles of Faith, sell, encumber or otherwise transfer any real property owned by the Corporation or make any binding decisions affecting the Corporation's interest in First Dallas Media, Inc. or in radio station KCBI. The Executive Committee shall also conduct an annual performance review of the President and periodic assessments of the institutional effectiveness of the Corporation. The Executive Committee shall meet at least once prior to each meeting of the full Board of Trustees. Minutes of all Executive Committee meetings will be distributed to all trustees in a timely manner.

5.03 **Advisory Boards or Committees.** Advisory boards or committees not having and exercising the authority, responsibility or duties of the Board of Trustees in the management of the Corporation may be designated by resolution adopted by the trustees. Except as otherwise provided in such resolution, members of each such advisory board or committee need to be trustees. The Chairman shall appoint the members of such advisory boards or committees. Any member thereof may be removed by the Board of Trustees whenever in the Board of Trustees' judgment the best interest of the Corporation shall be served by such removal.

5.04 **Term of Office.** Each member of a committee of trustees or advisory board or committee shall continue for such term as designated by the Board of Trustees and until such member's successor is appointed, unless the advisory board or committee is sooner terminated, or unless such member is removed from such advisory board or committee or shall cease to qualify as a member thereof.

5.05 **Vacancies.** Vacancies in the membership of any committee of trustees or advisory board or committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

5.06 **Quorum: Manner of Acting.** Unless otherwise provided in the resolution of the Board of Trustees designating a committee of trustees or advisory board or committee, a majority of the whole advisory board or committee shall constitute a quorum, and the act of the majority of the members present at a meeting at which a quorum is present shall be the act of the advisory board or committee.

ARTICLE 6: OFFICERS OF THE CORPORATION

6.01 Election and Term of Office. The officers of the Corporation consist of a Chairman of the Board of Trustees, a Vice Chairman of the Board of Trustees, a President, any Vice Presidents elected by the Board of Trustees, a Treasurer, a Secretary, any Assistant Secretaries elected by the Board of Trustees, and such other officers as the Board of Trustees may from time to time elect. Only the Chairman, the Vice Chairman, and the Secretary must be a member of the Board of Trustees in order to qualify for office.

The Board of Trustees shall elect the Chairman, the Vice Chairman, and the Secretary at the Board meeting. The Chairman, the Vice Chairman, and the Secretary shall each hold office for a term of one year, beginning on the January 1 next following their election and expiring on (i) December 31 or (ii) the date their successors are elected and qualified, whichever is later; provided that, notwithstanding the foregoing, the trustee officers holding office when these Bylaws become effective shall continue in those positions, beginning as of the date these Bylaws become effective and for the remainder of the then current calendar year, unless terminated or replaced by the Board of Trustees at their first meeting in such calendar year. The President and all administrative officers of the Corporation will be elected by the Board of Trustees. Subject to any limitations in the Texas Business Organizations Code with regard to the length of their terms in office, each officer of the Corporation, other than the Chairman, Vice Chairman, and Secretary, is elected by the Board of Trustees for an indefinite term provided, however, if a vacancy occurs in any office, except the Chairman, Vice Chairman, President, or Secretary, the Executive Committee may appoint an interim successor who shall serve until the Board of Trustees elects a successor. Any officer of the Corporation, including the President, may be removed from office by the Board of Trustees, with or without cause, whenever in its judgment the best interests of the Corporation are served thereby.

6.02 Powers and Duties of Officers. The powers and duties of the officers are those usually pertaining to their respective offices, subject to the supervision and direction of the Board of Trustees, including the following:

(a) Chairman of the Board of Trustees – The Chairman of the Board of Trustees shall preside at all meetings of the Board of Trustees, appoint all committees of the Board of Trustees and designate their respective chairman, and perform such other duties as are assigned to the Chairman from time to time by the Board of Trustees.

(b) Vice Chairman of the Board of Trustees – The Vice Chairman shall, in the absence or disability of the Chairman or at the Chairman's request, perform the duties and exercise the powers of the Chairman.

(c) President – The President shall be a man of Christian stature and integrity. He shall be in complete accord with the objectives and ministry of the Corporation and with the Bible college philosophy of education, and hold a PhD. He shall be an able executive motivated by the spirit of service, and an impartial administrator who commands the respect of colleagues, benefactors and students. He must freely subscribe the Articles of Faith adopted by the Corporation believing without reservation in the infallibility, the inerrancy and authority of the Scriptures, as inspired by the Holy Spirit of the Lord as taught in Second Peter 1:21. He should believe in the pre-millennial return of Christ and the pre-tribulation rapture of the Church. The President should also be a man with a heart for missions and evangelism.

The President shall serve as the chief executive officer of the Corporation under the direction of the Board of Trustees. The President shall be the sole official channel of communication between the professional staff and the Board. The President shall be responsible for carrying out the mission and purpose of the Corporation.

(d) Vice President of Academic Affairs – The Vice President of Academic Affairs shall have the same qualifications as the President and shall be charged with the responsibility of administering the Academic Division under the direction of the President to whom he will be accountable.

(e) Vice Presidents – All other Vice Presidents shall be individuals of Christian stature and integrity and in complete accord with the objectives and ministry of the Corporation. Vice Presidents shall be elected by the Board upon the recommendation of the President and appointed to serve in the Division to which they are named and subject to the direction of the President. They must freely subscribe the Articles of Faith adopted by the Corporation, believing without reservation in the infallibility, the inerrancy, and the authority of the Scriptures, as inspired by the Holy Spirit of the Lord as taught in Second Peter 1:21. They should believe in the pre-millennial return of Christ and the pre-tribulation rapture of the Church. They should also have a heart for missions and evangelism. The Vice Presidents shall perform such duties as may be assigned to them by the President.

(f) Treasurer – The Vice President for Business Administration or Operations shall serve as the Treasurer, of the Corporation, and shall supervise the handling of all monies and other properties of the Corporation. The Treasurer shall be responsible to keep the financial records of the Corporation and to present financial reports at Board meetings.

(g) Secretary – The Secretary shall keep, or cause to be kept, full, complete, and accurate minutes of each meeting of the Board of Trustees and each meeting of the Executive Committee. The Secretary shall cause all of such minutes to be kept at the Corporation in a secure place and in a manner that insures their preservation. Any Assistant Secretary elected by the Board of Trustees shall serve in the absence or inability of the Secretary to serve.

6.03 **Compensation of Officers.** The Chairman, Vice Chairman, and Secretary shall not receive compensation for their services as such officers. The compensation of other officers is set by or under the direction of the Board of Trustees.

6.04 **Two or More Offices.** Any two (2) or more offices may be held by the same person, except that the President and Secretary shall not be the same person.

ARTICLE 7: TRANSACTIONS OF CORPORATION

7.01 **Contracts.** The Board of Trustees may authorize any 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.

7.02 **Deposits.** All the Corporation's funds will be deposited to the credit of the Corporation in banks, trust companies, or other depositories that the Board of Trustees selects.

7.03 **Gifts.** The Board of Trustees may accept or elect not to accept, on the Corporation's behalf, any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Corporation. The Board may make gifts and give charitable contributions not prohibited by these Bylaws, the Certificate of Formation, state law, and provisions set out in federal tax law that must be complied with to maintain the Corporation's federal and state tax status. The Board shall adopt appropriate policies to ensure that each contribution, gift, bequest, or devise accepted by the Corporation is handled in accordance with any requests by the donor and does not contain major conditions which would restrict or violate any of the Corporation's purposes.

7.04 **Loans and Related Parties.** The Corporation shall not make any loan to any trustee or officer of the Corporation.

7.05 **Dividends Prohibited.** No part of the net income of the Corporation shall inure to the benefit of any private individual and no dividend shall be paid and no part of the income of the Corporation shall be distributed to its trustees or officers. The Corporation may pay compensation in a reasonable amount to its officers for services rendered as provided in Section 7.03 above.

7.06 **Prohibited Acts.** As long as the Corporation exists, no trustee, officer, or committee member of the Corporation may:

(a) Do any act in violation of these Bylaws, any duly adopted resolution of the Board of Trustees or its Executive Committee, or any contractual obligation of the Corporation.

(b) Do any act with the intention of harming the Corporation or any of its operations.

(c) Do any act that would make it impossible or unnecessarily difficult to carry on the Corporation's intended or ordinary business.

(d) Receive an improper personal benefit from the operation of the Corporation.

(e) Use the Corporation's assets, directly or indirectly, for any purpose other than carrying on the Corporation's business.

(f) Wrongfully transfer or dispose of Corporation property, including intangible property such as good will.

(g) Use the Corporation's name (or any substantially similar name) or any trademark or trade name adopted by the Corporation, except on behalf of the Corporation in the ordinary course of its business.

(h) Disclose any of the Corporation's business practices, trade secrets, or any other information not generally known to the business community to any person not authorized to receive it.

(i) Knowingly participate in any criminal activity; provided however, this admonition shall not be construed to include the making of any statement or taking any action, or refusing to so act, when same would be taken, declared or participated in for the purpose of proclaiming or acting upon or in line with the clear teaching or standards contained in the Holy Scriptures as determined by the Corporation's Statement of Faith, or as determined or declared by any resolution of the Board of Trustees of the Corporation.

ARTICLE 8: BOOKS AND RECORDS

8.01 Required Books and Records. The Corporation will keep correct and complete books and records of account. The books and records include:

(a) A file-endorsed copy of all documents filed with the Texas Secretary of State relating to the Corporation, including but not limited to the Certificate of Formation, and any articles of amendment, restated articles, articles of merger, articles of consolidation, and statement of change of registered office or registered agent.

(b) A copy of all bylaws, including these Bylaws, and any amended versions or amendments to them.

(c) Minutes of the proceedings of the Board, and committees having any of the authority of the Board.

(d) A list of the names and addresses of the directors, officers, and any committee members of the Corporation.

(e) A financial statement showing the Corporation's assets, liabilities, and net worth at the end of the three most recent fiscal years.

(f) A financial statement showing the Corporation's income and expenses for the three most recent fiscal years.

(g) All rulings, letter, and other ancillary documents relating to the Corporation's federal, state, and local tax status.

(h) The Corporation's federal, state, and local tax information and any tax returns for each of the Corporation's three most recent tax years.

8.02 Inspection of Books and Records. Any trustee, officer, or nonadvisory committee member of the Corporation may inspect and receive copies of all the corporate books and records required to be kept under these bylaws. Such a person may, by written request, inspect or receive copies if he or she has a proper purpose related to his or her interest in the Corporation. He or she may do so through his or her attorney or other duly authorized representative. The inspection may take place at a reasonable time, no later than thirty (30) days after the Corporation receives a proper written request. The Board may establish reasonable copying fees, which may cover the cost of materials and labor but may not exceed twenty cents per page. The Corporation will provide requested copies of books or records no later than thirty (30) days after receiving a proper written request.

8.03 **Auditing.** The Board of Trustees each year shall select a commercial firm of certified public accountants to conduct an audit of the Corporation's financial books and records. The firm selected by the Board of Trustees shall conduct an audit of the Corporation's financial books and records as of the end of the fiscal year of the Corporation and shall submit its written report to the Finance and Audit Committee of the Board of Trustees.

ARTICLE 9: FISCAL YEAR

9.01 **Fiscal Year.** The Corporation's fiscal year will begin on the first day of July each year and end on the last day of June of the following year.

ARTICLE 10: INDEMNIFICATION

10.01 **Indemnification.** This Corporation shall indemnify each officer and director of this organization against any personal loss or judgment that he/she may suffer as a result of having served in their respective capacities to the full extent allowed by Texas law. Further, this Corporation does hereby elect to be covered by the *Texas Charitable Immunity and Liability Act of 1987*, Sec. 84.001 et seq. of the *Texas Civil Practice and Remedies Code*. This indemnification, however, shall not cover any knowingly illegal or malicious acts of any officer or director, or faculty member subject only to the provisions of Section 10.02(b) except as provided for herein, including Section 7.06, whether serving in their respective capacities or not as defined further herein.

10.02 When Indemnification Is Required, Permitted, and Prohibited.

(a) The Corporation will indemnify a trustee, officer, or committee member who 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. However, the Corporation shall indemnify a person only if he or she acted in good faith and reasonably believed that the conduct was in the Corporation's best interests. In a case of a criminal proceeding, the person may be indemnified only if he or she (1) had no reasonable cause to believe that the conduct was unlawful or (2) that person believed their actions to be based upon a Biblical mandate which has been acknowledged by the Corporation. The Corporation shall not indemnify a person who is found liable to the Corporation or is found to be liable to another on the basis of improperly receiving a personal benefit. A person is conclusively considered to have been found liable in relation to any claim, issue, or matter if a court of competent jurisdiction has adjudged the person liable and all appeals have been exhausted.

(b) The termination of a proceeding by judgment, order, settlement, conviction, or on a plea of nolo contendere or its equivalent does not necessarily preclude indemnification by the Corporation.

(c) The Corporation shall pay or reimburse expenses incurred by a trustee, officer, committee member, employee, or agent of the Corporation in connection with the person's appearance as a witness or other participation in a proceeding determined by the Board of Trustees to involve or affect the Corporation when the person is not a named defendant or respondent in the proceeding.

(d) In addition to the situations otherwise described in this paragraph, the Corporation may indemnify a trustee, officer, committee member, employee, or agent of the Corporation to the extent permitted by law. However, the Corporation shall not indemnify any person in any situation in which indemnification is prohibited by the terms of paragraph 11.01 (a), above.

(e) Before the final disposition of a proceeding, the Corporation may pay indemnification expenses permitted by the Bylaws and authorized by the Corporation. However, the Corporation shall not pay indemnification expenses to a person before the final disposition of a proceeding if the person is alleged to have improperly received a personal benefit or committed other willfully wrong or intentional misconduct, as determined by the Board of Trustees.

(f) If the Corporation may indemnify a person under the Bylaws, the person may be indemnified against judgments, penalties, excise and similar taxes, fines, settlements, and reasonable expenses (including attorney's fees) actually incurred in connection with the proceeding.

(g) For the purposes of this Article 11, any agent includes one who is or was serving at the request of the Corporation as a trustee or officer.

(h) Notwithstanding anything to the contrary contained herein, there will be no indemnification with respect to any action, claim or lawsuit instituted by or urged on behalf of the Corporation against any such officer, trustee, faculty member, student, employee, contractor or agent; or with respect to any action, claim or lawsuit brought against the Corporation by any such officer, trustee, faculty member, student, employee, contractor or agent.

10.03 Procedures Relating to Indemnification Payments.

(a) Before the Corporation may pay any indemnification expenses (including attorney's fees), the Corporation must specifically determine that indemnification is permissible, authorize indemnification, and determine that expenses to be reimbursed are reasonable, except as provided in subparagraph (c) below. The Corporation may make these determinations and decisions by any one of the following procedures:

(i) Majority vote of a quorum consisting of trustees who, at the time of the vote, are not named defendants or respondents in the proceeding.

(ii) If such a quorum cannot be obtained, by a majority vote of a committee of the Board of Trustees, designated to act in the matter by a majority vote of all trustees, consisting solely of two or more trustees who at the time of the vote are not named defendants or respondents in the proceeding.

(iii) Determination by special legal counsel selected by the Board of Trustees by the same vote as provided in subparagraphs (i) or (ii), above, or if such quorum cannot be obtained and such a committee cannot be established, by a majority vote of all trustees.

(b) The Corporation will authorize indemnification and determine that expenses to be reimbursed are reasonable in the same manner that it determines whether indemnification is permissible. If special legal counsel determines that indemnification is permissible, authorization of indemnification and determination of reasonableness of expenses will be made as specified by subparagraph (a) (iii) above, governing selection of special legal counsel. A provision contained in the Certificate of Formation, or a resolution of members of the Board of Trustees that requires the indemnification permitted by subparagraph (a) above, constitutes sufficient authorization of indemnification even though the provision may not have been adopted or authorized in the same manner as the determination that indemnification is permissible.

(c) The Corporation will advance expenses before final disposition of a proceeding only after it determines that the facts then known would not preclude indemnification. The determination that the facts then known to those making the determination would not preclude indemnification and authorization of payment will be made in the same manner as a determination that indemnification is permissible under subparagraph (a), above. In addition to this determination, the Corporation may advance expenses only after it receives a written affirmation and undertaking from the person to receive the advance. The person's written affirmation will state that he or she has met the standard of conduct necessary for indemnification under these Bylaws. The written undertaking will provide for repayment of the

amounts advanced by the Corporation if it is ultimately determined that the person has not met the requirements for indemnification. The undertaking will be an unlimited general obligation of the person, but it need not be secured and may be accepted without reference to financial ability to repay.

ARTICLE 11: FACULTY

11.01 Qualifications. The faculty shall consist of competent, mature persons of Christian character who have professional skill in teaching. Every faculty member shall have an intelligent appreciation for the distinctive goals and processes of Bible college education. Every faculty member shall have a biblical philosophy of education in which knowledge from his special field is integrated with the Christian faith. Every faculty member must freely subscribe and annually execute an affirmation of the Articles of Faith of Criswell College, a copy of which are attached hereto as Schedule 1 and incorporated herein, believing without reservation in the infallibility and authority of the Scriptures.

11.02 Responsibilities.

(a) Faculty members shall be responsible to the President through the Vice President for Academic Affairs.

(b) Faculty members shall demonstrate exemplary Christian lives and give evidence of competent Christian scholarship by keeping abreast of contemporary developments in the academic world at large and in their particular teaching fields.

(c) Faculty members shall be diligent as Christian teachers with respect to both subject content and teaching methods, and also be faithful in discharging such other duties as may be assigned to them.

11.03 Salaries. The salaries of members of the faculty shall be determined in the light of prevailing economic conditions and in conformance to a scale of salaries approved by the Board of Trustees.

11.04 Employment. The employment of faculty members shall be subject to the approval of the Board of Trustees upon the recommendation of the President, working in cooperation with the Vice President for Academic Affairs. The terms of employment shall be subject to the approval of the Board of Trustees and shall be reduced to written form and signed by the faculty member.

ARTICLE 12: AMENDING BYLAWS AND CERTIFICATE OF FORMATION

12.01 **Amendments.** These Bylaws may be altered, amended, or repealed, and new bylaws may be adopted by the Board of Trustees by a two-thirds majority vote in accordance with the Board Policy on Policies; provided, however, that notwithstanding the foregoing, any doctrinal statement or requirement contained herein, or any method of amending any such doctrinal statement or requirement, may be altered, amended or repealed only upon a three-fourths vote of the Board of Trustees in accordance with the Board Policy on Policies. The Certificate of Formation may be altered, amended, added to, or restated by the Board of Trustees by a majority vote in accordance with the Board Policy on Policies, except as otherwise provided therein; and provided further, however, that notwithstanding the foregoing, any doctrinal statement or requirement contained therein, or any method of amending any such doctrinal statement or requirement, may be altered, amended or added to only upon a three-fourths vote of the Board of Trustees in accordance with the Board Policy on Policies. The notice of any meeting at which these Bylaws and/or the Certificate of Formation are proposed to be altered, amended or repealed, or at which new bylaws or Certificate of Formation are proposed to be adopted will include the text of the proposed new bylaw provisions and/or Certificate, as well as the text of any existing provisions proposed to be altered, amended, or repealed. Alternatively, the notice may include a fair summary of those provisions.

ARTICLE 13: INVESTMENTS

13.01 **Investments.** The Corporation shall have the right to retain all or any part of any securities or property acquired by it in whatever manner, and to invest and reinvest any funds held by it, according to the judgment of the Board of Trustees, without being restricted to the class of investments which a trustee is or may be permitted by law to make or any similar restriction, provided, however, that no action shall be taken by or on behalf of the Corporation if such action is a prohibited transaction or would result in the denial of the tax exemption under Section 503 or Section 507 of the Internal Revenue Code and its Regulations as they now exist or as they may be amended.

The Board of Trustees may: (a) contract with an advisor who is an investment counsel or a trust company, bank, investment advisor, or investment manager, and (b) confer on that advisor the authority to: (i) purchase or otherwise acquire a stock, bond, security, or other investment on behalf of the Corporation; and (ii) sell, transfer, or otherwise dispose of an asset or property of the Corporation at a time and for a consideration the advisor considers appropriate. The Board may also (a) confer on an advisor described above powers regarding the Corporation's investments as the Board considers appropriate, and (b) authorize the advisor to hold title to an asset or property of the Corporation, in the advisor's own name or in the name of a nominee, for the benefit of the Corporation.

ARTICLE 14: MISCELLANEOUS PROVISIONS

14.01 Conflict Resolution.

- (a) The Corporation shall commit itself to amicably resolving all conflicts with trustees, officers, faculty, and staff. Because all efforts to bring about a resolution that includes the voluntary agreement of all the involved parties should be exhausted first, mediation of the conflict should be attempted within the Corporation before resorting to procedures where final judgments are taken out of the hands of the disputing parties. In the event that the conflict cannot be resolved through mediation, the parties may seek a resolution of such dispute(s) before a court of law, but only subject to and in strict compliance with the provisions of Sections 14.01(b) and 14.02 hereof.

- (b) Any legal actions, proceedings or dispute resolution activities, including any of the contents thereof, the names and identifications of the parties, and even the fact that they have been asserted or may be asserted in the future, shall be kept in the strictest of confidence, and not released, imparted or exposed to any third parties, including but not limited to the news media or published in anyway on the internet. A voluntary violation of this provision shall result in that party's action, proceeding or lawsuit, or defenses thereto being stricken and/or dismissed with prejudice, and an involuntary or negligent violation of this provision may result in a like consequence if the judge finds such result to be the fault of such party. Notwithstanding the above provision, the filing of such an action or proceeding in a court of proper jurisdiction and venue, in accordance with the provisions hereof, shall not constitute a violation of the provisions of this Section 14.01(b).

14.02 Legal Authorities Governing Construction of Bylaws. These Bylaws will be construed under Texas law. All references in these Bylaws to statutes, regulations, or other sources of legal authority will refer to the authorities cited, or their successors, as they may be amended from time to time. Jurisdiction and venue of and for any action, claim or lawsuit, whether taken, made or filed by the Corporation, or brought, asserted or filed against the Corporation, shall rest exclusively in the State District Courts of Dallas County, Texas.

14.03 Legal Construction. To the greatest extent possible, these Bylaws shall be construed to conform to all legal requirements and all requirements for obtaining and maintaining all tax exemptions that may be available to nonprofit corporations. If any bylaw provision is held invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability will not affect any other provision, and the bylaws will be construed as if they had not included the invalid, illegal, or unenforceable provision.

14.04 **Headings.** The headings used in the Bylaws are for convenience and may not be considered in construing the Bylaws.

14.05 **Number.** All singular words include the plural, and all plural words include the singular.

14.06 **Seal.** A corporate seal shall not be required on corporate documents, but the Board of Trustees may provide for such a corporate seal to identify corporate documents.

14.07 **Certificate of Acceptance.** Each and every Trustee and officer of the Corporation, and its faculty and management level employees shall execute and deliver to the Corporation a certification that agrees to and acknowledges that in all dealings and interaction with the Corporation, they shall be bound by and their rights and privileges subject to the terms and provisions of these Bylaws.

14.08 **Policy on Policies.** The Board of Trustees of Criswell College shall adopt and periodically review, a Policy on Policies for use by the College. Such Policy shall require the Board of Trustees to approve all board level policies which the college wishes to adopt, and determine how they should be implemented and set out the procedure for so doing. All such policies adopted by the Board of Trustees shall contribute to and enhance the type of environment at the College which promotes learning, scholarship and public service.

14.09 **Conflict of Interest.** The Board of Trustees of Criswell College shall also adopt a Conflicts of Interest policy which shall govern the dealings of both the College's administrators, and faculty and the Board of Trustees. The Board of Trustees shall also review same periodically to determine if any updates are needed. Provided however, any Trustee which is considered to be in a possible conflict position at the time, or who will be in such a conflict position during the next twelve (12) months, shall not participate in any discussions thereon, or in any vote related to the amendment of such policy.

CERTIFICATE OF SECRETARY

I certify that I am duly elected and acting secretary of Criswell College and that these Bylaws constitute the Corporation's Bylaws. These Bylaws were duly adopted at a meeting of the Board of Trustees held on _____.

_____ *[signature]*

Dated: _____

_____ *[typed name]*
Secretary of the Corporation