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CHANGE OF ACCOUNTING PERIOD

Form **990-PF**

Return of Private Foundation or Section 4947(a)(1) Nonexempt Charitable Trust Treated as a Private Foundation

OMB No 1545-0052

2012

Department of the Treasury
Internal Revenue Service

Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements

Open to Public Inspection

For calendar year 2012 or tax year beginning _____, and ending _____

Name of foundation THE DUNCAN FUND		A Employer identification number 74-6064309
Number and street (or P O box number if mail is not delivered to street address) 600 TRAVIS, SUITE 6100		B Telephone number (see instructions) (713) 226-5035
Room/suite		C If exemption application is pending, check here <input type="checkbox"/>
City or town, state, and ZIP code HOUSTON TX 77002		
G Check all that apply <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input checked="" type="checkbox"/> Name change		D 1. Foreign organizations, check here <input type="checkbox"/>
H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		D 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 4,437,429	J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received (attach schedule)				
2 Check <input type="checkbox"/> if the foundation is not required to attach Sch B				
3 Interest on savings and temporary cash investments	37	37		
4 Dividends and interest from securities	29,393	29,393		
5 a Gross rents				
b Net rental income or (loss)				
6 a Net gain or (loss) from sale of assets not on line 10	1,610			
b Gross sales price for all assets on line 6a 113,760				
7 Capital gain net income (from Part IV, line 2)		1,267		
8 Net short-term capital gain				
9 Income modifications				
10 a Gross sales less returns and allowances				
b Less Cost of goods sold				
c Gross profit or (loss) (attach schedule)				
11 Other income (attach schedule)	4,651	268		
12 Total. Add lines 1 through 11	35,691	30,965	0	
13 Compensation of officers, directors, trustees, etc				
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16 a Legal fees (attach schedule)	2,973			
b Accounting fees (attach schedule)				
c Other professional fees (attach schedule)				
17 Interest	1,462	1,462		
18 Taxes (attach schedule) (see instructions)				
19 Depreciation (attach schedule) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (attach schedule)	8,619	8,603		16
24 Total operating and administrative expenses. Add lines 13 through 23	13,054	10,065	0	16
25 Contributions, gifts, grants paid	66,500			66,500
26 Total expenses and disbursements. Add lines 24 and 25	79,554	10,065	0	66,516
27 Subtract line 26 from line 12				
a Excess of revenue over expenses and disbursements	-43,863			
b Net investment income (if negative, enter -0-)		20,900		
c Adjusted net income (if negative, enter -0-)			0	

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value		
Assets	1	Cash—non-interest-bearing				
	2	Savings and temporary cash investments		175,615	96,814	96,814
	3	Accounts receivable ▶				
		Less allowance for doubtful accounts ▶				
	4	Pledges receivable ▶				
		Less allowance for doubtful accounts ▶				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)				
	7	Other notes and loans receivable (attach schedule) ▶				
		Less allowance for doubtful accounts ▶				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10 a	Investments—U S and state government obligations (attach schedule)				
	b	Investments—corporate stock (attach schedule)		3,097,405	3,125,394	3,808,722
	c	Investments—corporate bonds (attach schedule)		151,532	151,513	164,518
	11	Investments—land, buildings, and equipment basis ▶				
	Less accumulated depreciation (attach schedule) ▶					
12	Investments—mortgage loans					
13	Investments—other (attach schedule)		203,492	210,460	367,375	
14	Land, buildings, and equipment basis ▶					
	Less accumulated depreciation (attach schedule) ▶					
15	Other assets (describe ▶)					
16	Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)		3,628,044	3,584,181	4,437,429	
Liabilities	17	Accounts payable and accrued expenses				
	18	Grants payable				
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, and other disqualified persons				
	21	Mortgages and other notes payable (attach schedule)				
	22	Other liabilities (describe ▶)				
	23	Total liabilities (add lines 17 through 22)		0	0	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input type="checkbox"/>					
	24	Unrestricted				
	25	Temporarily restricted				
	26	Permanently restricted				
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input checked="" type="checkbox"/>					
	27	Capital stock, trust principal, or current funds		3,628,044	3,584,181	
	28	Paid-in or capital surplus, or land, bldg, and equipment fund				
29	Retained earnings, accumulated income, endowment, or other funds					
30	Total net assets or fund balances (see instructions)		3,628,044	3,584,181		
31	Total liabilities and net assets/fund balances (see instructions)		3,628,044	3,584,181		

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	3,628,044
2	Enter amount from Part I, line 27a	2	-43,863
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	3,584,181
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	3,584,181

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)		(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo., day, yr)	(d) Date sold (mo., day, yr)	
1a SEE STATEMENT 2					
b					
c					
d					
e					
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)		
a			1,610		
b					
c					
d					
e					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0- or Losses (from col (h)))		
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any			
a			1,610		
b					
c					
d					
e					
2 Capital gain net income or (net capital loss)		{ If gain, also enter in Part I, line 7 { If (loss), enter -0- in Part I, line 7		2	1,610
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)		{ If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8		3	0

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income)

If section 4940(d)(2) applies, leave this part blank

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? Yes No

If "Yes," the foundation does not qualify under section 4940(e) Do not complete this part

1 Enter the appropriate amount in each column for each year, see the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2011	154,845	4,220,632	0.036688
2010	260,141	4,337,478	0.059975
2009	154,793	4,057,945	0.038146
2008	287,892	3,669,893	0.078447
2007	321,444	5,164,641	0.062239
2 Total of line 1, column (d)			2 0.275495
3 Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years			3 0.055099
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5			4 4,373,556
5 Multiply line 4 by line 3			5 240,979
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 209
7 Add lines 5 and 6			7 241,188
8 Enter qualifying distributions from Part XII, line 4			8 66,516

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see instructions)

1	a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary—see instructions)		
	b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b	1	418
	c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	2	0
3	Add lines 1 and 2	3	418
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	
5	Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-	5	418
6	Credits/Payments		
	a 2012 estimated tax payments and 2011 overpayment credited to 2012	6a	
	b Exempt foreign organizations—tax withheld at source	6b	
	c Tax paid with application for extension of time to file (Form 8868)	6c	600
	d Backup withholding erroneously withheld	6d	
7	Total credits and payments Add lines 6a through 6d	7	600
8	Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached	8	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	0
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	182
11	Enter the amount of line 10 to be Credited to 2013 estimated tax <input type="checkbox"/> 182 Refunded <input type="checkbox"/> 0	11	0

Part VII-A Statements Regarding Activities

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)? <i>If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities</i>		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation <input type="checkbox"/> \$ _____ (2) On foundation managers <input type="checkbox"/> \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities</i>		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If "Yes," attach a conformed copy of the changes</i>	X	
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?	X	
b If "Yes," has it filed a tax return on Form 990-T for this year?	X	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T</i>		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col (c), and Part XV</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see instructions) <input type="checkbox"/> TX		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <i>If "No," attach explanation</i>	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		X

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)			X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)			X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ <u>www.guidestar.org</u>	X		
14	The books are in care of ▶ <u>LAURA MEINHARDT</u> Telephone no ▶ <u>(713) 226-5035</u> Located at ▶ <u>600 TRAVIS, SUITE 6100 HOUSTON TX</u> ZIP+4 ▶ <u>77002</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here and enter the amount of tax-exempt interest received or accrued during the year ▶ <u>15</u>			
16	At any time during calendar year 2012, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes," enter the name of the foreign country ▶		Yes	No
		16		X

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

		Yes	No
1a	During the year did the foundation (either directly or indirectly)		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here ▶ <input type="checkbox"/>	1b	N/A
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2012?	1c	X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a	At the end of tax year 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012? If "Yes," list the years ▶ 20 _____, 20 _____, 20 _____, 20 _____ <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see instructions)	2b	N/A
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶ 20 _____, 20 _____, 20 _____, 20 _____		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If "Yes," did it have excess business holdings in 2012 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (<i>Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2012</i>)	3b	N/A
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2012?	4b	X

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)

5a During the year did the foundation pay or incur any amount to

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? Yes No

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? Yes No

(3) Provide a grant to an individual for travel, study, or other similar purposes? Yes No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions) Yes No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? Yes No

b If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here **5b** N/A

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? Yes No
If "Yes," attach the statement required by Regulations section 53.4945–5(d)

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No **6b** X
If "Yes" to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? Yes No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? Yes No **7b** N/A

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
See Attached Statement	00	0		
	00	0		
	00	0		
	00	0		

2 Compensation of five highest-paid employees (other than those included on line 1—see instructions). If none, enter "NONE."

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

Total number of other employees paid over \$50,000

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)

3 Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over \$50,000 for professional services ▶

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

	Expenses
1 N/A	

2	

3	

4	

Part IX-B Summary of Program-Related Investments (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2

	Amount
1 N/A	

2	

All other program-related investments. See instructions	
3	

Total. Add lines 1 through 3 ▶ 0

Part X Minimum Investment Return (All domestic foundations must complete this part Foreign foundations, see instructions)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes		
a	Average monthly fair market value of securities	1a	3,945,517
b	Average of monthly cash balances	1b	127,266
c	Fair market value of all other assets (see instructions)	1c	367,375
d	Total (add lines 1a, b, and c)	1d	4,440,158
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	4,440,158
4	Cash deemed held for charitable activities Enter 1 1/2 % of line 3 (for greater amount, see instructions)	4	66,602
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	4,373,556
6	Minimum investment return. Enter 5% of line 5	6	54,968

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here and do not complete this part)

1	Minimum investment return from Part X, line 6	1	54,968
2a	Tax on investment income for 2012 from Part VI, line 5	2a	418
b	Income tax for 2012 (This does not include the tax from Part VI)	2b	493
c	Add lines 2a and 2b	2c	911
3	Distributable amount before adjustments Subtract line 2c from line 1	3	54,057
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	54,057
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	54,057

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc , purposes		
a	Expenses, contributions, gifts, etc —total from Part I, column (d), line 26	1a	66,516
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	66,516
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see instructions)	5	
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	66,516

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years

Part XIII Undistributed Income (see instructions)

		(a) Corpus	(b) Years prior to 2011	(c) 2011	(d) 2012
1	Distributable amount for 2012 from Part XI, line 7				54,057
2	Undistributed income, if any, as of the end of 2012				
a	Enter amount for 2011 only			0	
b	Total for prior years 20 ____, 20 ____, 20 ____				
3	Excess distributions carryover, if any, to 2012				
a	From 2007	16,310			
b	From 2008	106,495			
c	From 2009				
d	From 2010	45,565			
e	From 2011				
f	Total of lines 3a through e	168,370			
4	Qualifying distributions for 2012 from Part XII, line 4 \blacktriangleright \$ 66,516				
a	Applied to 2011, but not more than line 2a				
b	Applied to undistributed income of prior years (Election required—see instructions)				
c	Treated as distributions out of corpus (Election required—see instructions)				
d	Applied to 2012 distributable amount				54,057
e	Remaining amount distributed out of corpus	12,459			
5	Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a))				
6	Enter the net total of each column as indicated below:				
a	Corpus Add lines 3f, 4c, and 4e Subtract line 5	180,829			
b	Prior years' undistributed income Subtract line 4b from line 2b		0		
c	Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d	Subtract line 6c from line 6b Taxable amount—see instructions				
e	Undistributed income for 2011 Subtract line 4a from line 2a Taxable amount—see instructions			0	
f	Undistributed income for 2012 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2013				0
7	Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8	Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions)	16,310			
9	Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a	164,519			
10	Analysis of line 9				
a	Excess from 2008	106,495			
b	Excess from 2009				
c	Excess from 2010	45,565			
d	Excess from 2011				
e	Excess from 2012	12,459			

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9)

N/A

- 1 a** If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2012, enter the date of the ruling ▶
- b** Check box to indicate whether the foundation is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

	Tax year				(e) Total
	(a) 2012	(b) 2011	(c) 2010	(d) 2009	
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					0
b 85% of line 2a					0
c Qualifying distributions from Part XII, line 4 for each year listed					0
d Amounts included in line 2c not used directly for active conduct of exempt activities					0
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					0
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test—enter					
(1) Value of all assets					0
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					0
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					0
c "Support" alternative test—enter					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					0
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					0
(3) Largest amount of support from an exempt organization					0
(4) Gross investment income					0

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year—see instructions.)

1 Information Regarding Foundation Managers:

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000) (See section 507(d)(2))

CHARLES W DUNCAN, JR ANNE S DUNCAN

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:

Check here if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

a The name, address, and telephone number or e-mail of the person to whom applications should be addressed

THE DUNCAN FUND C/O LAURA MEINHARDT 600 TRAVIS, SUITE 6100 HOUSTON, TX 77002 (713) 226-5035

b The form in which applications should be submitted and information and materials they should include

A LETTER STATING THE AMOUNT REQUESTED AND PURPOSE

c Any submission deadlines

NONE

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors

NO GRANTS MADE TO OR CONSIDERATIONS FROM INDIVIDUALS

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i> SEE STATEMENT 3				66,500
Total			▶ 3a	66,500
b <i>Approved for future payment</i>				
Total			▶ 3b	0

Part I, Line 11 (990-PF) - Other Income

		4,651	268	0
Description		Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income
1	EAGLE INCOME APPREC II LP K-1	4,651	268	

Part I, Line 16a (990-PF) - Legal Fees

		2,973	0	0
Description		Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income
1	LEGAL FEES	2,973		

Part I, Line 16a (990-PF) - Legal Fees

		0
Disbursements for Charitable Purposes (Cash Basis Only)		
1		

Part I, Line 23 (990-PF) - Other Expenses

		8,619	8,603	0
Description		Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income
1	INVESTMENT ADVISORY FEE	4,762	4,762	
2	N/D EXPS EAGLE INCOME APPR II LP K-1	59	59	
3	MISCELLANEOUS	3,798	3,782	

Part I, Line 23 (990-PF) - Other Expenses

		16
Disbursements for Charitable Purposes		
1		
2		
3		16

Part II, Line 10b (990-PF) - Investments - Corporate Stock

		Num Shares/ Face Value	Book Value Beg of Year	Book Value End of Year	FMV Beg of Year	FMV End of Year
1	SEE STATEMENT 1		3,097,405	3,125,394	3,765,436	3,808,722
2						

Part II, Line 10c (990-PF) - Investments - Corporate Bonds

	Description	Interest Rate	Maturity Date	Book Value Beg of Year	Book Value End of Year	FMV Beg of Year	FMV End of Year					
1	SEE STATEMENT 1			151,532	151,513	166,566	164,518					

THE DUNCAN FUND
FOR THE YEAR END 12/31/2012 (SHORT YEAR)
E I.N # 74-6064309

STATEMENT 1

QUANTITY	SECURITY	BOOK VALUE	FAIR MARKET VALUE
COMMON STOCK			
600	ACE LIMITED	32,732 39	47,880 00
530	AETNA US HEALTHCARE INC	24,299 33	24,544 30
250	AGRIUM INC	9,574 53	24,967 75
1,590	ALLIANZ AG ADR	23,583 37	21,969 03
1,010	AMER INTL GROUP	33,871 82	35,653 00
640	AMERICAN WATER WORKS CO INC	12,637 59	23,763 20
230	ANHEUSER BUSCH INBEV SA	14,404 69	20,104 30
200	APPLE INC	50,765 07	106,434 60
890	ASSA ABOLY ADR	12,815 70	16,615 41
1,950	AT&T CORP	61,158 75	65,734 50
500	ATLAS COPCO B - ADR	6,177.63	12,159 00
700	BAE SYSTEMS PLC ADR	12,167 00	15,333 50
855	BARCLAYS PLC-ADR	14,894 89	14,808 60
570	BASF AG ADR	41,875 86	53,468 28
535	BERKSHIRE HATHAWAY INC CL B	39,348 01	47,989 50
540	BHP BILLITON PLC ADR	40,073 76	37,999 80
560	BMW AG ADR	10,046 00	17,948 00
290	BOC HONG KONG HLDS ADR	12,754 35	18,034 23
1,475	BRINKER INTERNATIONAL INC	41,666 25	45,710 25
600	BRITISH AMERICAN TOBACCO	38,549 58	60,750 00
450	BROOKFIELD ASSET MANAGEMENT	14,820 60	16,492 50
2,105	BROOKFIELD RESIDENTIAL PROPERTIES	34,866 77	37,763 70
1,315	BT GROUP PLC ADR	37,116 41	50,009 45
180	CANADIAN PACIFIC	13,188 22	18,291 60
880	CAPITAL ONE FINANCIAL CORP	38,934 02	50,978 40
370	CARNIVAL PLC ADR	15,859 90	14,337 50
250	CATERPILLAR INC	22,505 50	22,402 25
880	CHECK POINT SOFTWARETECH LTD	20,406 21	41,923 20
700	CHEVRON	54,090 10	75,698 00
260	CHINA MOBILE HONG KONG ADR	13,414 20	15,267 20
2,175	CISCO SYS INC	47,830 18	42,736 57
200	COCA COLA CO	5,476 05	7,250 00
165	COPA HOLDINGS SA-CL A	12,426 50	16,409 25
700	DBS GROUP HOLDINGS LTD ADR	22,981 25	34,017 20
350	DEUTSCHE BANK AG	12,047 35	15,501 50
500	DIRECTV	23,356 00	25,080 00
750	DISNEY WALT CO	20,617 80	37,342 50
465	EVEREST RE GROUP LTD	41,913 30	51,126 75
900	EXXON MOBIL CORP	65,307 81	77,895 00
920	F M C CORP	37,394 13	53,838 40
750	FAMILY DLR STORES INC	41,242 60	47,557 50
270	FEMSA ADR	11,966 06	27,189 00
1,500	GENERAL ELECTRIC CO	22,291 93	31,485 00

THE DUNCAN FUND
 FOR THE YEAR END 12/31/2012 (SHORT YEAR)
 E I N # 74-6064309

STATEMENT 1

QUANTITY	SECURITY	BOOK VALUE	FAIR MARKET VALUE
105	GOOGLE INC CL A	64,213 34	74,274 90
535	HANESBRANDS, INC	12,466 72	19,163 70
650	HASBRO INC	14,794 90	23,335 00
500	HEINZ H J CO	17,045 20	28,840 00
275	HITACHI LTD ADR	14,818 50	16,029 75
650	HOME DEPOT INC	16,953 40	40,202 50
615	HONDA MOTOR CO LTD ADR	19,966 05	22,718 10
470	HONEYWELL INTL INC	19,244 21	29,830 90
480	HSBC HOLDINGS PLC ADR	24,846 58	25,473 60
100	INTL BUSINESS MACH	19,989 04	19,155 00
1,950	ISHARES BARCLAY 1-3 Y	203,425 40	205,686 00
620	JOHNSON & JOHNSON	38,511 30	43,462 00
1,700	JPMORGAN CHASE & CO	73,341 66	74,747 30
315	KANSAS CITY SOUTHERN	7,304 38	26,296 20
500	KAO CORP ADR	14,003 60	13,005 50
2,176	KEPPEL CORP LTD ADR	23,227 32	39,191 94
240	LIBERTY MEDIA CORP NEW LIBERTY CAP COM SER	22,713 56	27,842 40
975	LILLY ELI & CO	32,226 27	48,087 00
350	LVMH MOET HEN L VUITTN ADR	11,418 00	12,809 65
110	MCDONALDS CORP	10,363 02	9,703 10
765	MICROSOFT CORP	19,870 87	20,433 15
60	mitsui & CO LTD ADR	13,277 69	17,806 08
425	MOTOROLA SOLUTIONS INC	19,727 70	23,664 00
450	MUELLER INDUSTRIES INC	21,315 72	22,513 50
225	NATIONAL GRID PLC	11,213 60	12,924 00
500	NATIONAL OILWELL VARCO	21,638 43	34,175 00
1,300	NESTLE SA ADR	66,008 63	84,645 60
500	NIPPON TELEGRAPH & TELEPHONE ADR	12,654 95	10,515 00
1,020	NISSAN MOTORS ADR	19,003 76	19,134 18
315	NOVARTIS AG ADR	15,188 25	19,939 50
190	NOVO-NORDISK A S ADR	27,351 44	31,009 90
270	OCCIDENTAL PETE CP DEL	23,056 62	20,684 70
440	OIL CO LUKOIL ADR	24,098 90	28,809 88
540	ORIX CORP ADR	22,164 93	30,585 60
1,080	PEPCO HOLDINGS INC	21,127 56	21,178 80
510	PEPSICO INC	33,444 56	34,899 30
2,400	PFIZER INC	48,786 93	60,189 60
500	PHILIP MORRIS INTL INC COM	23,669 05	41,820 00
3,293	POSTNL NV	12,310 70	12,668 17
330	PROCTER & GAMBLE	17,735 85	22,403 70
650	QUALCOMM INC	39,332 98	40,209 00
390	REXAM PLC	13,682 40	13,820 04
575	ROCHE HOLDING LTD ADR	24,974 75	28,896 05
370	ROYAL DUTCH SHELL PLC ADR	24,915 34	25,511 50
365	SANDS CHINA LTD	12,699 00	15,987 73

STATEMENT 1

THE DUNCAN FUND
 FOR THE YEAR END 12/31/2012 (SHORT YEAR)
 E I N # 74-6064309

STATEMENT 1

QUANTITY	SECURITY	BOOK VALUE	FAIR MARKET VALUE
480	SANOFI AVENTIS ADR	16,796 24	22,742 40
210	SAP AKTIENGESELLSCHAFT ADR	12,675 00	16,879 80
2,015	SBERBANK-ADR	28,251 35	24,522 55
200	SEVEN & I HLDGS CO LTD ADR	13,452 50	11,274 00
170	SHIRE PLC ADR	16,292 77	15,670 60
120	SIEMENS A G ADR	11,994.85	13,136 40
950	ST JUDE MEDICAL INC	35,354 38	34,333 00
450	SUNCOR ENERGY INC	12,773 15	14,841 00
2,000	SUNTRUST BKS INC	48,704 80	56,700 00
850	SWEDBANK AB ADR	15,461 84	16,593 70
190	SYNGENTA AG ADR	12,403 11	15,352 00
700	TOTAL S A	42,700 31	36,407 00
320	TRANSDIGM GROUP INC	14,446 85	43,635 20
310	TRANSOCEAN LTD	12,749 47	13,844 60
530	VALE S A ADR PFD	12,150 69	10,753 70
1,110	VALEO SA ADR	29,421 40	27,537 99
3,250	VANGUARD INTERMEDIATE TERM CORP BOND ETF	261,734 65	284,895 00
670	VODAFONE GROUP PLC ADR	17,366 60	16,877 30
970	VOLVO AB SPONSORED ADR	12,275 79	13,240 50
500	WAL-MART STORES INC	25,079 45	34,115 00
700	WELLS FARGO & CO	21,069 60	23,926 00
1,000	WILLIAMS CO	29,525 60	32,740 00
450	ZURICH INSURANCE GROUP	9,141 55	11,965 95
	COMMON STOCK Total	<u>3,125,394 47</u>	<u>3,808,721 93</u>
	CORPORATE BONDS		
100,000	ANHEUSER BUSCH COS INC 4 950% Due 01-15-14	99,758 21	104,474 00
50,000	VERIZON COMM INC 5 500% Due 02-15-18	51,754 57	60,043 50
		<u>151,512 78</u>	<u>164,517 50</u>

Part II, Line 13 (990-PF) - Investments - Other

		203,492	210,460	367,375
		Book Value	Book Value	FMV
		Beg. of Year	End of Year	End of Year
		Basis of Valuation		
		FMV		
1	EAGLE INCOME APPRECIATION II LP	203,492	210,460	367,375

PAGE 3, PART IV, LINE 1
 CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

(a) QUANTITY	SECURITY	(b) HOW ACQ'D	(c) DATE ACQ'D	(d) DATE SOLD	(e) SALES PROCEEDS	(f) COST BASIS	(h) GAIN OR (LOSS)
330	VODAFONE GROUP PLC ADR	P	3/10/2011	10/2/2012	9,285 67	9,547 23	(261 56)
25	MICROSOFT CORP	P	10/6/2003	10/3/2012	739 16	734 25	4 91
350	MICROSOFT CORP	P	10/29/2009	10/3/2012	10,348 29	9,925 30	422 99
235	MICROSOFT CORP	P	5/10/2002	10/3/2012	6,948 14	6,104 12	844 02
100	DEVON ENERGY CORP	P	4/24/2009	11/9/2012	5,447 87	5,355 25	92 62
300	DEVON ENERGY CORP	P	4/15/2009	11/9/2012	16,343 61	14,954 43	1,389 18
300	NEWMONT MINING CORP	P	10/17/2011	11/9/2012	14,421 89	19,986 04	(5,564 15)
190	NEWMONT MINING CORP	P	1/12/2012	11/9/2012	9,133 86	12,256 71	(3,122 85)
100	BAIDU INC SPON ADR REP A	P	2/7/2012	11/19/2012	9,153 27	13,139 66	(3,986 39)
460	DU PONT E I DE NEMOURS & CO	P	9/17/2010	12/14/2012	20,175 87	20,147 28	28 59
	VANGUARD INTERMEDIATE CAP GAINS DIST						529 75
	LTCG EAGLE INCOME APPR PTRS K-1						7,368 00
	STCG EAGLE INCOME APPR PTRS K-1						3,865 00
					<u>101,997 63</u>	<u>112,150 27</u>	<u>1,610 11</u>

Part VIII, Line 1 (990-PF) - Compensation of Officers, Directors, Trustees and Foundation Managers

	Name	Check 'X' if Business	Street	City	State	Zip Code	Foreign Country	Title	Avg Hrs Per Week	Compensation	Benefits	Expense Account
1	A S DUNCAN		600 TRAVIS, STE 6100	HOUSTON	TX	77002		DIRECTOR	1 00			
2	M A DINGUS		600 TRAVIS, STE 6100	HOUSTON	TX	77002		DIRECTOR	1 00			
3	C W DUNCAN, JR		600 TRAVIS, STE 6100	HOUSTON	TX	77002		PRESIDENT	1 00			
4	C W DUNCAN, III		600 TRAVIS, STE 6100	HOUSTON	TX	77002		VICE-PRESIDENT	1 00			
5	L D MEINHARDT		600 TRAVIS, STE 6100	HOUSTON	TX	77002		SECRETARIES	1 00			

THE DUNCAN FUND
 FOR THE YEAR END 12/31/2012 (SHORT YEAR)
 EIN # 74-6064309

PAGE 11, PART XV, LINE 3a
 GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

	CONTRIBUTIONS	DATE/PURPOSE OF CONTRIBUTION	AMOUNT
1	BUFFALO BILL HISTORICAL CENTER 720 SHERIDAN AVENUE CODY, WY 82414	12/3/2012 ANNUAL FUND	\$10,000
2	BOYS & GIRLS CLUBS OF PARK COUNTY 308 16TH STREET CODY, WY 82414	12/3/2012 ANNUAL FUND	\$2,000
3	BOYS & GIRLS CLUBS OF MIDLAND P O BOX 284 MIDLAND, TX 79702	12/3/2012 ANNUAL FUND	\$1,000
4	COLORADO COLLEGE PO BOX 1117 COLORADO SPRINGS, CO 80901-9897	12/3/2012 ANNUAL FUND	\$10,000
5	DAVIDSON COLLEGE BOX 7170 DAVIDSON, NC 28035-7170	12/3/2012 ANNUAL FUND	\$10,000
6	PLANNED PARENTHOOD MIDLAND 314 SECOR STREET MIDLAND, TX 79701	12/3/2012 ANNUAL FUND	\$5,000
7	SPRINGSPIRIT BASEBALL 5120 WOODWAY, SUITE 6002 HOUSTON, TX 77056	12/3/2012 CAPITAL CAMPAIGN	\$5,000
8	ST JOHN'S SCHOOL 2401 CLAREMONT LANE HOUSTON, TX 77019	12/3/2012 ANNUAL FUND	\$5,000
9	TEXAS BUSINESS & EDUCATION COALITION 400 WEST 15TH, SUITE 404 AUSTIN, TX 78701	12/3/2012 ANNUAL FUND	\$5,000
10	TRINITY SCHOOL 3500 W WADLEY AVENUE MIDLAND, TX 79707	12/3/2012 ANNUAL FUND	\$2,500
11	YMCA OF GREATER HOUSTON PO BOX 3007 HOUSTON, TX 77253-3007	12/3/2012 CAPITAL CAMPAIGN	\$10,000
12	HOUSTON EAR RESEARCH FOUNDATION 7737 SOUTHWEST FREEWAY, SUITE 630 HOUSTON, TX 77074	12/12/2012 ANNUAL FUND	\$1,000
TOTAL			\$66,500



Office of the Secretary of State

CERTIFICATE OF FILING OF

THE DUNCAN FUND
20762701

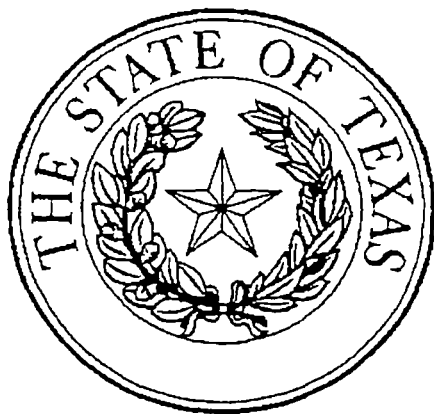
[formerly: THE ANNE AND C. W. DUNCAN, JR. FOUNDATION]

The undersigned, as Secretary of State of Texas, hereby certifies that a Certificate of Amendment for the above named entity has been received in this office and has been found to conform to the applicable provisions of law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the secretary by law, hereby issues this certificate evidencing filing effective on the date shown below.

Dated: 10/05/2012

Effective: 10/05/2012



A handwritten signature in black ink, appearing to read "Hope Andrade".

Hope Andrade
Secretary of State

OCT 05 2012

CERTIFICATE OF AMENDMENT
TO
RESTATED ARTICLES OF INCORPORATION
OF
THE ANNE AND C. W. DUNCAN, JR. FOUNDATION

Corporations Section

Pursuant to the provisions of Sections 3.051 to 3.056 and Sections 22.105 to 22.108 of the Texas Business Organizations Code (the "TBOC"), The Anne and C. W. Duncan, Jr. Foundation, a Texas nonprofit corporation (the "Corporation"), hereby adopts the following Certificate of Amendment to the Restated Articles of Incorporation of the Corporation filed September 12, 1996 with the Secretary of State of the State of Texas (the "Restated Articles of Incorporation").

Article 1 - Entity Information

The name of the filing entity is The Anne and C. W. Duncan, Jr. Foundation. The filing entity is a nonprofit corporation. The file number issued to the filing entity by the Secretary of State is 20762701 and the date of formation of the entity is October 23, 1964.

Article 2 - Amendments

Article I. of the Restated Articles of Incorporation of the Corporation is hereby amended to read in its entirety as follows:

"ARTICLE I

NAME

The name of the corporation is THE DUNCAN FUND (hereinafter referred to as the "Corporation")."

Article V. of the Restated Articles of Incorporation of the Corporation is hereby amended to read in its entirety as follows:

"ARTICLE V.

BOARD OF DIRECTORS

As more fully provided for in the Corporation's Bylaws ("Bylaws"), the number of directors constituting the Board of Directors shall not be less than three (3) directors nor more than nine (9) directors, unless such number is increased or decreased in accordance with the Bylaws. The names and addresses of the persons who currently serve as the directors are as follows:

NAME	ADDRESS
Charles W. Duncan, Jr.	600 Travis Street, Suite 6100 Houston, Texas 77002
Anne S. Duncan	600 Travis Street, Suite 6100 Houston, Texas 77002
Charles W. Duncan, III	600 Travis Street, Suite 6100 Houston, Texas 77002
Mary Anne Duncan Dingus	600 Travis Street, Suite 6100 Houston, Texas 77002
John H. Duncan, Sr.	600 Travis Street, Suite 6100 Houston, Texas 77002
Robert J. Faust	600 Travis Street, Suite 6100 Houston, Texas 77002

Article 3 - Statement of Approval

The amendments to the Restated Articles of Incorporation have been approved in the manner required by the TBOC and by the governing documents of the entity.

Article 4 - Effectiveness of Filing

This document becomes effective when the document is filed by the secretary of state.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Amendment to the Restated Articles of Incorporation as of the 5th day of October, 2012.

By: *Charles W. Duncan, Jr.*
Name: Charles W. Duncan, Jr.
Title: President

**AMENDED AND RESTATED BYLAWS
OF THE
DUNCAN FUND**

Dated: October 1, 2012

INDEX

	Page
ARTICLE I OFFICES	1
Section 1.1 Principal Office	1
Section 1.2 Registered Office.....	1
Section 1.3 Other Offices	1
ARTICLE II MEMBERS	1
Section 2.1 Members	1
ARTICLE III DIRECTORS	1
Section 3.1 Number and Qualification	1
Section 3.2 Election and Term of Office.....	2
Section 3.3 Resignation	2
Section 3.4 Removal.....	2
Section 3.5 Vacancies.....	2
Section 3.6 General Powers.....	2
Section 3.7 Compensation	3
ARTICLE IV MEETINGS OF THE BOARD	3
Section 4.1 Place of Meetings	3
Section 4.2 Regular Meetings.....	3
Section 4.3 Special Meetings	3
Section 4.4 Quorum and Action	3
Section 4.5 Presumption of Assent to Action.....	3
Section 4.6 Telephone Meetings	4
Section 4.7 Action Without Meeting.....	4
ARTICLE V ADVISORY BOARD	4
Section 5.1 Membership	4
Section 5.2 Authority.....	4
Section 5.3 Minutes	5
Section 5.4 Removal and Vacancies	5
Section 5.5 Compensation	5
ARTICLE VI COMMITTEES OF THE BOARD	5
Section 6.1 Membership and Authorities	5
Section 6.2 Minutes	5
Section 6.3 Vacancies.....	5
Section 6.4 Telephone Meetings	5
Section 6.5 Action Without Meeting.....	6
ARTICLE VII OFFICERS	6
Section 7.1 Number	6
Section 7.2 Election, Term of Office and Qualification.....	6

Section 7.3	Subordinate Officers.....	6
Section 7.4	Resignation.....	6
Section 7.5	Removal.....	7
Section 7.6	Vacancies.....	7
Section 7.7	The Chairman of the Board.....	7
Section 7.8	The President.....	7
Section 7.9	The Vice Presidents.....	8
Section 7.10	The Secretary.....	8
Section 7.11	Assistant Secretaries.....	8
Section 7.12	The Treasurer.....	8
Section 7.13	Assistant Treasurers.....	9
Section 7.14	Treasurer's Bond.....	9
Section 7.15	Salaries.....	9
ARTICLE VIII INDEMNIFICATION.....		9
Section 8.1	Definitions.....	9
Section 8.2	Indemnification.....	10
Section 8.3	Successful Defense.....	11
Section 8.4	Determinations.....	11
Section 8.5	Advancement of Expenses.....	12
Section 8.6	Employee Benefit Plans.....	12
Section 8.7	Other Indemnification and Insurance.....	12
Section 8.8	Construction.....	13
Section 8.9	Continuing Offer, Reliance, etc.....	13
Section 8.10	Effect of Amendment.....	13
ARTICLE IX GENERAL PROVISIONS.....		14
Section 9.1	Waiver of Notice.....	14
Section 9.2	Seal.....	14
Section 9.3	Fiscal Year.....	14
Section 9.4	Checks, Notes, etc.....	14
Section 9.5	Books and Records.....	14
Section 9.6	Financial Records and Annual Reports.....	14
Section 9.7	Dividends Prohibited.....	15
Section 9.8	Loans to Directors and Officers Prohibited.....	15
Section 9.9	Effect of Disclaimer by Directors or Officers.....	15
ARTICLE X AMENDMENTS.....		15
Section 10.1	Amendment by Board of Directors.....	15
ARTICLE XI MANDATORY DISSOLUTION.....		16
Section 11.1	Dissolution of the Foundation.....	16
ARTICLE XII SUBJECT TO ALL LAWS.....		16
Section 12.1	Subject to All Laws.....	16

THE DUNCAN FUND
A M E N D E D A N D R E S T A T E D B Y L A W S

ARTICLE I

Offices

Section 1.1 Principal Office. The principal office of the Corporation shall be in the City of Houston, Texas.

Section 1.2 Registered Office. The registered office of the Corporation required by the Texas Business Organizations Code to be maintained in the State of Texas may be, but need not be, identical with the principal office, and the address of the registered office may be changed from time to time by the Board of Directors.

Section 1.3 Other Offices. The Corporation may also have offices at such other places both within and without the State of Texas as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE II

Members

Section 2.1 Members. The Corporation has no members as such. The persons from time to time constituting the Board of Directors of the Corporation are, for the purpose of any statutory provision or rule of law relating to non-profit corporations, the members of the Corporation and shall exercise all the rights and powers of members thereof.

ARTICLE III

Directors

Section 3.1 Number and Qualification. The property, business and affairs of the Corporation shall be managed and controlled by a Board of Directors composed of not less than three (3) Directors nor more than nine (9) Directors. The "Founding Directors" of the Corporation are Anne S. Duncan, Charles W. Duncan, Jr., Charles W. Duncan, III and Mary Anne Duncan Dingus. The Directors need not be residents of the State of Texas. The number of Directors may be increased or decreased by resolution adopted by a majority of the Board of Directors.

No decrease in the number of Directors shall have the effect of shortening the term of any incumbent Director. At least a majority of the Directors shall be limited to a group composed of the Founding Directors, direct descendants (as hereinafter defined) of any one or more of the Founding Directors, and spouses of Charles W. Duncan, III and Mary Anne Duncan Dingus ("Family Directors"). For purposes of these Bylaws, the term "direct descendants" shall mean, with respect to a designated individual, all legitimate natural-born or adopted lineal descendants of whatsoever generation of such individual who have attained the age of twenty-five (25) years, direct descendants not to be considered for election as a Director until attainment of such age.

Section 3.2 Election and Term of Office. Each Founding Director shall hold office until his earlier death or resignation. Each other Director serving hereunder shall hold office for a term of three (3) years and until his successor shall have been elected and qualified or until his earlier death, resignation or removal, in each case, subject to the provisions of the Articles of Incorporation and these Bylaws.

Section 3.3 Resignation. Any Director may resign at any time by giving written notice to the President or Secretary. Such resignation shall take effect at the time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 3.4 Removal. Any Director or Directors other than a Founding Director may be removed, either with or without cause, and another person or persons may be elected to serve for the remainder of his or their term by a vote of a majority of the Board of Directors. Removal of a Director may be accomplished at any regular meeting or any special meeting of the Board of Directors called expressly for that purpose. At such a meeting, all Directors shall be eligible to vote on the issue of removal, regardless of whether such Director is himself the subject of the removal action.

Section 3.5 Vacancies. Any vacancy occurring in the Board of Directors shall be filled by the affirmative vote of a majority of the remaining Directors though less than a quorum of the Board of Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

Section 3.6 General Powers. In addition to the powers and authorities expressly conferred upon them by these Bylaws, the Board of Directors may exercise all such powers of the Corporation and do all such lawful acts and things as are not prohibited by law or by the Articles of Incorporation or by these Bylaws.

Section 3.7 Compensation Directors as such shall not receive any stated salary for their services, but by resolution of the Board, a fixed sum for expenses of attendance, if any, may be allowed for attendance at any regular or special meeting of the Board provided that nothing contained herein shall be construed to preclude any Director from serving the Corporation in any other capacity and receiving compensation therefor.

ARTICLE IV

Meetings of the Board

Section 4.1 Place of Meetings. The Directors of the Corporation may hold their meetings, both regular and special, either within or without the State of Texas.

Section 4.2 Regular Meetings. Regular meetings of the Board, which shall be held at least annually, may be held at such time and place as shall from time to time be determined by the Board. Regular meetings shall be held on thirty (30) days' notice given by the President to each Director.

Section 4.3 Special Meetings. Special meetings of the Board may be called by the President on one (1) day's notice to each Director given either personally, by mail or by facsimile or other electronic transmission. Special meetings shall be called by the President or Secretary in like manner and like notice on the written request of any Director. Neither the purpose of nor the business to be transacted at any special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting. Attendance of a Director at a meeting shall constitute a waiver of notice of such meeting except where a Director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened.

Section 4.4 Quorum and Action. At all meetings of the Board the presence of a majority of the Directors shall be necessary and sufficient to constitute a quorum for the transaction of business and the act of a majority of the Directors at any meeting at which a quorum is present shall be the act of the Board of Directors unless the act of a greater number is required by law, the Articles of Incorporation or these Bylaws. If a quorum shall not be present at any meeting of Directors, the Directors present may adjourn the meeting from time to time without notice other than announcement at the meeting until a quorum shall be present.

Section 4.5 Presumption of Assent to Action. A Director who is present at a meeting of the Board at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his

dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action

Section 4.6 Telephone Meetings. Directors may participate in and hold a meeting of the Board of Directors by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Section 4.6 shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Section 4.7 Action Without Meeting. Any action required or permitted to be taken at a meeting of the Board of Directors, or any committee thereof, may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all the members of the Board of Directors, or committee, as the case may be, and such consent shall have the same force and effect as a unanimous vote at a meeting.

ARTICLE V

Advisory Board

Section 5.1 Membership. A majority of the Board of Directors, or the Chairman or President when so authorized by a majority of the Board of Directors, may organize and constitute an advisory board (hereinafter referred to as the "Advisory Board") and appoint members thereto. The members of the Advisory Board shall consist of persons with such characteristics or abilities as may prove useful or helpful in the management of the affairs of the Corporation. Membership on such Advisory Board shall not be limited to Directors.

Section 5.2 Authority. The Advisory Board shall consult with and advise the Board of Directors on matters presented to it by the Board of Directors. All decisions of the Advisory Board shall be advisory only, and not binding on the Board of Directors. The Advisory Board shall neither have nor exercise the authority of the Board of Directors in the management of the Corporation.

Section 5.3 Minutes. The Advisory Board shall keep regular minutes of its proceedings and report same to the Board of Directors when required by the Board of Directors.

Section 5.4 Removal and Vacancies. The Board of Directors shall have the power at any time to remove any and all members of the Advisory Board, with or without cause, to fill vacancies in, and to dissolve the Advisory Board.

Section 5.5 Compensation. Advisory Board members as such shall not receive any stated salary for their services, but by resolution of the Board of Directors a fixed sum for expenses of attendance of a meeting, if any, may be allowed for attendance of any meeting.

ARTICLE VI

Committees of the Board

Section 6.1 Membership and Authorities. A majority of the Board of Directors may designate two (2) or more Directors to constitute such committees as the Board of Directors may determine, each of which committees to the extent provided in such resolution shall have and may exercise all of the authority of the Board of Directors in the business and affairs of the Corporation, except in those cases where the authority of the Board of Directors is specifically denied to the committee or committees by applicable law, the Articles of Incorporation or these Bylaws. The designation of a committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any member thereof, of any responsibility imposed upon it or him by law.

Section 6.2 Minutes. Each committee designated by the Board shall keep regular minutes of its proceedings and report the same to the Board when required by the Board of Directors.

Section 6.3 Vacancies. A majority of the Board of Directors shall have the power at any time to fill vacancies in, to change the membership of, or to dissolve, any committee.

Section 6.4 Telephone Meetings. Members of any committee designated by the Board of Directors may participate in or hold a meeting by use of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this Section 6.4 shall constitute presence in person at such meeting, except where a person participates in the meeting for

the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Section 6.5 Action Without Meeting. Any action required or permitted to be taken at a meeting of any committee designated by the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all the members of the committee, and such consent shall have the same force and effect as a unanimous vote at a meeting.

ARTICLE VII

Officers

Section 7.1 Number. The officers of the Corporation shall always include a President, a Vice President, a Secretary and a Treasurer. The Board of Directors may also choose a Chairman and additional Vice Presidents, designating one Vice President as a senior Vice President, Assistant Secretaries and/or Assistant Treasurers. One person may hold any two or more of these offices except those of President and Secretary.

Section 7.2 Election, Term of Office and Qualification. The officers of the Corporation shall be elected by a majority of the Board of Directors. The Board of Directors shall elect a President, a Vice President, a Secretary and a Treasurer, and shall elect such other officers as described in Section 7.1 and Section 7.3 as it chooses, none of such officers needing to be a member of the Board of Directors. Each officer so elected shall hold office until his successor shall have been duly chosen and has qualified or until his death or his resignation or removal in the manner provided in Section 7.5 hereof; provided, however, in no event shall any officer's term of office exceed three (3) years without re-election to such position.

Section 7.3 Subordinate Officers. A majority of the Board of Directors may appoint such other officers and agents as it shall deem necessary who shall hold their offices for such terms (not exceeding three (3) years), have such authority and perform such duties as the Board of Directors may from time to time determine. The Board of Directors may delegate to any committee or officer the power to appoint any such subordinate officer or agent.

Section 7.4 Resignation. Any officer may resign at any time by giving written notice thereof to the Board of Directors or to the Chairman, President or Secretary of the Corporation. Any such resignation shall take

effect at the time specified therein and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 7.5 Removal. Any officer elected or appointed by the Board of Directors may be removed by a majority of the Board of Directors at any time with or without cause. Any other officer may be removed at any time with or without cause by a majority of the Board of Directors or by any committee or superior officer in whom such power of removal may be conferred by the Board of Directors.

Section 7.6 Vacancies. A vacancy in any office shall be filled for the unexpired portion of the term of the officer to whom the vacancy applies by a majority of the Board of Directors, but in case of a vacancy occurring in an office filled in accordance with the provisions of Section 7.3, such vacancy may be filled by any committee or superior officer upon whom such power may be conferred by the Board of Directors.

Section 7.7 The Chairman of the Board. The Chairman of the Board, if one shall be elected, or the chief executive officer of the Corporation, shall preside at all meetings of the Directors, shall be ex officio a member of all standing committees, shall have general and active management of the business of the Corporation, shall have the general supervision and direction of all other officers of the Corporation with full power to see that their duties are properly performed and shall see that all orders and resolutions of the Board of Directors are carried into effect. He may sign, with any other proper officer, any deeds, bonds, mortgages, contracts and other documents that the Board of Directors has authorized to be executed, except where required by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors or these Bylaws to some other officer or agent of the Corporation. In addition, the Chairman of the Board shall perform whatever duties and shall exercise all powers that are given to him by the Board of Directors.

Section 7.8 The President. If no Chairman of the Board shall be elected, the President shall be the chief executive officer of the Corporation and shall have the powers and duties of the Chairman of the Board of Directors as set forth in Section 7.7. In the absence of the Chairman of the Board, if one shall be elected, the President shall preside at all meetings of the Directors. He may sign, with any other proper officer, any deeds, bonds, mortgages, contracts and other documents that the Board of Directors has authorized to be executed, except where required by law to be otherwise signed and executed and except where the signing and execution thereof shall

be expressly delegated by the Board of Directors or these Bylaws to some other officer or agent of the Corporation. In addition, the President shall perform whatever duties and shall exercise all the powers that are given to him in these Bylaws or by the Board of Directors or by the Chairman of the Board of Directors, if one shall be elected.

Section 7.9 The Vice Presidents. The Vice Presidents shall perform the duties as are given to them by these Bylaws and as may from time to time be assigned to them by the Board of Directors, the Chairman or the President. At the request of the Chairman, or if none has been elected or in his absence or disability, the President, the Vice President designated by the Chairman or President making such request (or in the absence of such designation, the senior Vice President) shall perform the duties and exercise the powers of the President.

Section 7.10 The Secretary. The Secretary, when available, shall attend all meetings of the Board of Directors and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for the committees when required. He shall give, or cause to be given, notice of all special meetings of the Board of Directors as required by law or these Bylaws, be custodian of the corporate records and have general charge of the books and records of the Corporation and shall perform such other duties as may be prescribed by the Board of Directors, the Chairman or President, under whose supervision he shall be. He may sign, with any other proper officer, certificates, cards or other instruments evidencing membership rights, if any, voting rights, if any, or ownership rights as may be authorized by the Articles of Incorporation of the Corporation and shall keep in safe custody the seal of the Corporation, and, when authorized by the Board of Directors, affix the same to any instrument requiring it and, when so affixed, it shall be attested by his signature or by the signature of the Treasurer or an Assistant Secretary.

Section 7.11 Assistant Secretaries. The Assistant Secretaries shall perform such duties as are given to them by these Bylaws or as may from time to time be assigned to them by the Board of Directors or by the Secretary. At the request of the Secretary, or in his absence or disability, the Assistant Secretary designated by the Secretary (or in the absence of such designation, the senior Assistant Secretary) shall perform the duties and exercise the powers of the Secretary

Section 7.12 The Treasurer. The Treasurer shall have the custody and be responsible for all corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books

belonging to the Corporation and shall deposit all monies and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. He shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the Chairman, President and Directors, at the regular meetings of the Board, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Corporation.

Section 7.13 Assistant Treasurers. The Assistant Treasurers shall perform such duties as are given to them by these Bylaws or as may from time to time be assigned to them by the Board of Directors or by the Treasurer. At the request of the Treasurer, or in his absence or disability, the Assistant Treasurer designated by the Treasurer (or in the absence of such designation, the senior Assistant Treasurer) shall perform the duties and exercise the powers of the Treasurer.

Section 7.14 Treasurer's Bond. If required by the Board of Directors, the Treasurer and any Assistant Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his office and for the restoration to the Corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Corporation.

Section 7.15 Salaries. The salary or other compensation of officers shall be fixed from time to time by the Board of Directors. The Board of Directors may delegate to any committee or officer the power to fix from time to time the salary or other compensation of officers and agents appointed in accordance with the provisions of Section 7.3 hereof.

ARTICLE VIII

Indemnification

Section 8.1 Definitions. In this Article:

(a) "*Indemnitee*" means (i) any present or former Director, advisory director, officer or employee of the Corporation, (ii) any person who while serving in any of the capacities referred to in clause (i) hereof served at the Corporation's request as a director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, trust, employee

benefit plan or other enterprise, and (iii) any person nominated or designated by (or pursuant to authority granted by) the Board of Directors or any committee thereof to serve in any of the capacities referred to in clauses (i) or (ii) hereof.

(b) *“Official Capacity”* means (i) when used with respect to a Director, the office of Director of the Corporation, and (ii) when used with respect to a person other than a Director, the elective or appointive office of the Corporation held by such person or the employment or agency relationship undertaken by such person on behalf of the Corporation, but in each case does not include service for any other foreign or domestic corporation or any partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise.

(c) *“Proceeding”* means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitative or investigative, any appeal in such an action, suit or proceeding, and any inquiry or investigation that could lead to such an action, suit or proceeding.

Section 8.2 Indemnification. The Corporation shall indemnify every Indemnitee against all judgments, penalties (including excise and similar taxes), fines, amounts paid in settlement and reasonable expenses actually incurred by the Indemnitee in connection with any Proceeding to which he was, is or is threatened to be named defendant or respondent, or in which he was or is a witness without being named a defendant or respondent, by reason of his serving or having served, or having been nominated or designated to serve, in any of the capacities referred to in Section 8.1(a), if it is determined in accordance with Section 8.4 that the Indemnitee (a) conducted himself in good faith, (b) reasonably believed, in the case of conduct in his Official Capacity, that his conduct was in the Corporation's best interests and, in all other cases, that his conduct was at least not opposed to the Corporation's best interests, and (c) in the case of any criminal proceeding, had no reasonable cause to believe that his conduct was unlawful; provided, however, that in the event that an Indemnitee is found liable to the Corporation or is found liable on the basis that personal benefit was improperly received by the Indemnitee, the indemnification (i) is limited to reasonable expenses actually incurred by the Indemnitee in connection with the Proceeding and (ii) shall not be made in respect of any Proceeding in which the Indemnitee shall have been found liable for willful or intentional misconduct in the performance of his duty to the Corporation. Except as provided in the immediately preceding proviso to the first sentence of this Section 8.2, no indemnification shall be made under this Section 8.2 in respect of any Proceeding in which such Indemnitee shall have been (x) found liable on the basis that personal benefit was improperly received by him, whether or not the benefit resulted from an action taken in the Indemnitee's Official

Capacity, or (y) found liable to the Corporation. The termination of any Proceeding by judgment, order, settlement or conviction, or on a plea of nolo contendere or its equivalent, is not of itself determinative that the Indemnitee did not meet the requirements set forth in clauses (a), (b) or (c) in the first sentence of this Section 8.2. An Indemnitee shall be deemed to have been found liable in respect of any claim, issue or matter only after the Indemnitee shall have been so adjudged by a court of competent jurisdiction after exhaustion of all appeals therefrom. Reasonable expenses shall include, without limitation, all court costs and all fees and disbursements of attorneys for the Indemnitee. The indemnification provided herein shall be applicable whether or not negligence or gross negligence of the Indemnitee is alleged or proven.

Section 8.3 Successful Defense. Without limitation of Section 8.2 and in addition to the indemnification provided for in Section 8.2, the Corporation shall indemnify every Indemnitee against reasonable expenses incurred by such person in connection with any Proceeding in which he is a witness or a named defendant or respondent because he served in any of the capacities referred to in Section 8.1(a), if such person has been wholly successful, on the merits or otherwise, in defense of the Proceeding.

Section 8.4 Determinations. Any indemnification under Section 8.2 (unless ordered by a court of competent jurisdiction) shall be made by the Corporation only upon a determination that indemnification of the Indemnitee is proper in the circumstances because he has met the applicable standard of conduct. Such determination shall be made (a) by the Board of Directors by a majority vote of a quorum consisting of Directors who, at the time of such vote, are not named defendants or respondents in the Proceeding; (b) if such a quorum cannot be obtained, then by a majority vote of a committee of the Board of Directors, duly designated to act in the matter by a majority vote of all Directors (in which designation Directors who are named defendants or respondents in the Proceeding may participate), such committee to consist solely of two or more Directors who, at the time of the committee vote, are not named defendants or respondents in the Proceeding; (c) by special legal counsel selected by the Board of Directors or a committee thereof by vote as set forth in clauses (a) or (b) of this Section 8.4 or, if the requisite quorum of all of the Directors cannot be obtained therefor and such committee cannot be established, by a majority vote of all of the Directors (in which Directors who are named defendants or respondents in the Proceeding may participate). Determination as to reasonableness of expenses shall be made in the same manner as the determination that indemnification is permissible, except that if the determination that indemnification is permissible

is made by special legal counsel, determination as to reasonableness of expenses must be made in the manner specified in clause (c) of the preceding sentence for the selection of special legal counsel. In the event a determination is made under this Section 8.4 that the Indemnitee has met the applicable standard of conduct as to some matters but not as to others, amounts to be indemnified may be reasonably prorated.

Section 8.5 Advancement of Expenses. Reasonable expenses (including court costs and attorneys' fees) incurred by an Indemnitee who was or is a witness or was, is or is threatened to be made a named defendant or respondent in a Proceeding shall be paid by the Corporation at reasonable intervals in advance of the final disposition of such Proceeding, and without making any of the determinations specified in Section 8.4, after receipt by the Corporation of (a) a written affirmation by such Indemnitee of his good faith belief that he has met the standard of conduct necessary for indemnification by the Corporation under this Article and (b) a written undertaking by or on behalf of such Indemnitee to repay the amount paid or reimbursed by the Corporation if it shall ultimately be determined that he is not entitled to be indemnified by the Corporation as authorized in this Article. Such written undertaking shall be an unlimited obligation of the Indemnitee but need not be secured and it may be accepted without reference to financial ability to make repayment. The provisions of this Article shall not be construed to apply to, or restrict in any way, the payment or reimbursement by the Corporation of expenses incurred by an Indemnitee in connection with his appearance as a witness or other participation in a Proceeding at a time when he is not named a defendant or respondent in the Proceeding.

Section 8.6 Employee Benefit Plans. For purposes of this Article, the Corporation shall be deemed to have requested an Indemnitee to serve an employee benefit plan whenever the performance by him of his duties to the Corporation also imposes duties on or otherwise involves services by him to the plan or participants or beneficiaries of the plan. Excise taxes assessed on an Indemnitee with respect to an employee benefit plan pursuant to applicable law shall be deemed fines. Action taken or omitted by an Indemnitee with respect to an employee benefit plan in the performance of his duties for a purpose reasonably believed by him to be in the interest of the participants and beneficiaries of the plan shall be deemed to be for a purpose that is not opposed to the best interests of the Corporation.

Section 8.7 Other Indemnification and Insurance. The indemnification provided by this Article shall (a) not be deemed exclusive of, or to preclude, any other rights to which those seeking indemnification may at

any time be entitled under the Corporation's Articles of Incorporation, any law, agreement or vote of the Directors, or otherwise, or under any policy or policies of insurance purchased and maintained by the Corporation on behalf of any Indemnitee, both as to action in his Official Capacity and as to action in any other capacity, (b) continue as to a person who has ceased to be in the capacity by reason of which he was an Indemnitee with respect to matters arising during the period he was in such capacity, and (c) inure to the benefit of the heirs, executors and administrators of such a person. To the extent that any insurance purchased or maintained by the Corporation is available to provide any indemnification to an Indemnitee for matters addressed in this Article, such insurance shall be exhausted before any payment is made pursuant to the advancement and indemnification provisions of this Article.

Section 8.8 Construction. The indemnification provided by this Article shall be subject to all valid and applicable laws, including, without limitation, Sections 8.0001 through 8.152 of the Texas Business Organizations Code, and, in the event this Article or any of the provisions hereof or the indemnification contemplated hereby are found to be inconsistent with or contrary to any such valid laws, the latter shall be deemed to control and this Article shall be regarded as modified accordingly, and, as so modified, to continue in full force and effect.

Section 8.9 Continuing Offer, Reliance, etc. The provisions of this Article (a) are for the benefit of, and may be enforced by, each Indemnitee of the Corporation, the same as if set forth in their entirety in a written instrument duly executed and delivered by the Corporation and such Indemnitee and (b) constitute a continuing offer to all present and future Indemnitees. The Corporation, by its adoption of these Bylaws, (x) acknowledges and agrees that each Indemnitee of the Corporation has relied upon and will continue to rely upon the provisions of this Article in becoming, and serving in, any of the capacities referred to in Section 8.1(a) of this Article, (y) waives reliance upon, and all notices of acceptance of, such provisions by such Indemnitees and (z) acknowledges and agrees that no present or future Indemnitee shall be prejudiced in his right to enforce the provisions of this Article in accordance with their terms by any act or failure to act on the part of the Corporation.

Section 8.10 Effect of Amendment. No amendment, modification or repeal of this Article or any provision hereof shall in any manner terminate, reduce or impair the right of any past, present or future Indemnitees to be indemnified by the Corporation, nor the obligation of the Corporation to indemnify any such Indemnitees, under and in accordance with the provisions of the Article as in effect immediately prior to such amendment,

modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

ARTICLE IX

General Provisions

Section 9.1 Waiver of Notice. Whenever, under the provisions of applicable law or of the Articles of Incorporation or of these Bylaws, any notice is required to be given to any Director, 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.

Section 9.2 Seal. If one be adopted, the corporate seal shall have inscribed thereon the name of the Corporation and shall be in such form as may be approved by the Board of Directors. Said seal may be used by causing it or a facsimile of it to be impressed or affixed or in any manner reproduced.

Section 9.3 Fiscal Year. The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

Section 9.4 Checks, Notes, etc. All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

Section 9.5 Books and Records. The Corporation shall keep correct and complete books and records of account.

Section 9.6 Financial Records and Annual Reports. The Corporation shall, for each fiscal year, maintain current and accurate financial records with full entries made with respect to all financial transactions of the Corporation, including all income and expenditures, in accordance with generally accepted accounting practices. Based on these records, the Board shall annually prepare or approve a report of the financial activity of the Corporation for such fiscal year. The report shall include a statement of support, revenue, and expenses and a balance sheet. All records, books, and annual reports of the financial activity of the Corporation for such fiscal year shall be kept at either the registered office or principal office of the Corporation for at least three (3) years after the

closing of such fiscal year and shall be available to the public for inspection and copying there during normal business hours. The Corporation may charge for the reasonable expense of preparing a copy of a record or report.

Section 9.7 Dividends Prohibited. No dividend shall be paid and no part of the income of the Corporation shall be distributed to the officers or Directors, provided that the Corporation may pay compensation in a reasonable amount to the officers and Directors as otherwise provided in these Bylaws.

Section 9.8 Loans to Directors and Officers Prohibited. No loans shall be made by the Corporation to officers or Directors.

Section 9.9 Effect of Disclaimer by Directors or Officers. Notwithstanding any provision hereof, if a Director or officer of the Corporation exercises a disclaimer resulting in the passage of the disclaimed assets to the Corporation, such Director or officer shall have no authority hereunder with respect to such disclaimed assets (which includes the disposition of the disclaimed assets), and they shall be held in a segregated account ("*Segregated Account*") to be controlled and managed by the other Directors and officers of the Corporation who can exercise such authority over a Segregated Account without affecting the qualified nature of the disclaimer pursuant to the Internal Revenue Code. The disclaiming Director or officer shall have no rights or power with respect to the election, removal, or compensation of the other Directors and officers of the Corporation with respect to the powers of such Directors and officers over a Segregated Account.

ARTICLE X

Amendments

Section 10.1 Amendment by Board of Directors. The Board of Directors shall have the power to alter, amend or repeal these Bylaws or adopt new Bylaws. The Board of Directors may exercise this power at any regular or special meeting at which a quorum is present by the affirmative vote of both a majority of the Family Directors and a majority of all Directors and without any notice of the action taken with respect to the Bylaws having been contained in the notice or waiver of notice of such meeting.

ARTICLE XI

Mandatory Dissolution

Section 11.1 Dissolution of the Corporation. The Directors shall cause the Corporation to be dissolved one year after the last of the Founding Directors cease to serve as directors for any reason; provided, however, the Founding Directors (acting unanimously if more than one is serving) may resolve to (a) extend the time of mandatory dissolution of the Corporation (i) for a specified term of years, (ii) until the death of specified Duncan descendants, or (iii) for such other time periods as the Founding Director(s) deem appropriate; and (b) grant authority to further extend the time of mandatory dissolution of the Corporation to one or more of the descendants of C. W. Duncan, III and the descendants of Mary Anne Duncan Dingus. In the event of dissolution, the assets of the Corporation shall be distributed to the organization(s) specified in the most recent plan of distribution approved by a majority of the Family Directors then in effect provided that at least two Family Directors vote favorably for such plan. All assets shall be distributed to organizations that are described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or that are described in Section 170(c)(1) or (2).

ARTICLE XII

Subject to All Laws

Section 12.1 Subject to All Laws. The provisions of these Bylaws shall be subject to all valid and applicable laws, including, without limitation, the Texas Business Organizations Code as now or hereafter amended, and in the event that any of the provisions of these Bylaws are found to be inconsistent with or contrary to any such valid laws, the latter shall be deemed to control and these Bylaws shall be deemed modified accordingly, and, as so modified, to continue in full force and effect.