

**BYLAWS OF THE ARANSAS COUNTY ALLIANCE
LOCAL GOVERNMENT CORPORATION**

**ARTICLE I
POWERS AND PURPOSES**

- Section 1.1. Nonprofit Corporation.** The Aransas County Alliance Local Government Corporation (the "Corporation") shall be a nonprofit corporation, established under Texas Local Government Code Chapter 431, Subchapter D; and, no part of its earnings remaining after payment of its expenses or other obligations shall ever inure to the benefit of any individual, private association, firm or corporation.
- Section 1.2. Effect of Articles.** The affairs of the Corporation shall be conducted at all times in a manner subject to and in compliance with the Articles of Incorporation (the "Articles"), as amended from time to time. In the event of a conflict between the Articles and these Bylaws the Articles shall prevail.
- Section 1.3. Purpose.** The purposes of the Corporation are to encourage, stimulate, and promote economic development, expansion, and diversification within the Rockport-Fulton-Aransas County, Texas area, and to lessen the burdens of government by creating a larger tax base for the benefit of all residents of the area. In its efforts to promote economic development, the Corporation will be a catalyst to achieve sustainable, high quality economic development success. The Corporation helps the community speak with one voice, grow, expand, and attract business to Aransas County through its planning, marketing, coordination, services, and support.
- Section 1.4. Offices.** The principal office shall be in the City of Rockport, Aransas County, Texas. The Corporation may establish other offices in such other places as the Board of Directors may from time to time determine and as the affairs and activities of the corporation may require. The Corporation shall have and continuously maintain in the State of Texas a registered office and a registered agent whose office is identical with such registered office as required by the Texas Non-Profit Corporation Act. The registered office may be, but not need be, identical with the principal office of the corporation in the State of Texas, and the address of the principal office and the registered office may be changed from time to time by the Board of Directors.
- Section 1.5. Rights of Sponsoring Entity.** The Sponsoring Entity or Entities named in the Articles of Incorporation may undertake reasonable review of the financial affairs, programs and activities of the Corporation at any time and from time to time, and the Sponsoring Entity shall have all other rights reserved to it in the Articles. In the balance of these Bylaws the local government or local governments, whether one or more sponsoring the Corporation shall collectively be referred as the Sponsoring Entities.
- Section 1.6. Books and Records.** The Corporation shall keep correct and complete books and records of accounts and shall also keep minutes of the proceedings of its board of directors (the "Board of Directors") and any committees having any of the authority of the Board of Directors. All books and records of the Corporation may be inspected by any Director or his agent or attorney for any proper purpose at any reasonable

time; and always the Sponsoring Entities and its representatives shall have access to the books and records of the Corporation. All funding received by the Corporation from the Sponsoring Entities shall be accounted for separately.

Section 1.7. Annual Audit. The Board of Directors will cause an audit of the books and accounts of the Corporation to be made annually by a certified public accountant and will furnish a copy of the annual audit report to the Sponsoring Entities within three months following the end of its fiscal year. The Corporation shall furnish to each Sponsoring Entity, not less than annually, statements of its financial condition including Statements of Income and Expenses and a Balance Sheet.

Section 1.8. Annual Statement. The President shall present at each annual meeting a full and clear statement of the business and condition of the Corporation.

Section 1.9. Annual Report to Sponsoring Entities. The President shall present an annual report to the Sponsoring Entities addressing performance metrics and accomplishments of the Corporation. Such presentation may be by separate meetings of each Sponsoring Entity or at a joint meeting of two or more of Sponsoring Entities. Unless otherwise designated by one or more of the Sponsoring Entities the annual report shall be delivered in June of every year.

Section 1.10. Alliance Agreements. The Corporation is authorized to enter into one or more alliance agreements with 501C-6 corporations, or other nonprofit corporations or foundations, or financially contributing partners, which will outline financial contributions of the entity, services to be performed, and performance measures for the upcoming year.

ARTICLE II MEMBERS

Section 2.1. Classes of Members. The corporation shall have no members. All management and administration of the corporation shall be vested in its Board of Directors.

ARTICLE III BOARD OF DIRECTORS

Section 3.1 Powers, Number, and Term of Office.

- (a) The property and business affairs and activities of the Corporation shall be managed and controlled by the Board of Directors, and, subject to the restrictions imposed by contract law, the Articles, and these Bylaws, the Board of Directors shall exercise all of the powers of the Corporation.
- (b) The initial Directors approved by the Sponsoring Entities to establish the Corporation and approve the Articles of Incorporation consisted of four (4) directors. Upon adoption of these Bylaws, the Board of Directors shall consist of four (4) Places; with the Aransas County, Rockport, and Fulton Directors being voting members, and the Aransas County Navigation District Director being non-voting, ex-officio. The number of Directors may be increased or decreased by amendment of these Bylaws as authorized by the Articles.

- (c) Any scheduled vacancy of any Place on the Board, such as by term expiration, shall be filled by appointments made by the Sponsoring Entity who's Place on the Board expired. Such appointment shall become effective immediately after the expiration of the expired term.
- (d) A vacancy in any Place on the Board because of death, resignation, disqualification, removal from office, or otherwise, may be filled by Sponsoring Entity, whose place becomes vacant, for the unexpired portion of the term.
- (e) Any Director may resign at any time. Such resignation shall be made in writing directed to the Board of Directors. A resignation shall take effect at the time specified therein, or, if no time is so specified, at the time of its receipt by the President. The acceptance of the resignation is not necessary to make it effective, unless expressly so provided in the resignation.
- (f) All Directors shall serve a term of two (2) years.
- (g) Except as specifically provided herein, each Director shall serve until September 30th of the second year following appointment or until his or her successor is appointed or elected as the case may be, whichever is later. Directors whose terms are to expire may be reappointed or reelected to the Board of Directors, unless otherwise ineligible. A Director may serve for up to three (3) consecutive terms.
- (i) A Director serves at the pleasure of the appointing Sponsoring Entity.

Section 3.2. Regular Meetings.

- (a) Regular meetings of the Board of Directors shall be held at least quarterly as shall be designated, from time to time, by resolution of the Board of Directors.
- (b) Written notice of the date, hour, place, and subject of each meeting of the Board of Directors shall be posted at such times and in such places as notice of each meeting of the Sponsoring Entities are posted, all as prescribed by the Texas Open Meetings Act.
- (c) The Corporation shall give notice to each Director of each regular meeting in person, or by mail, email telephone, fax or telegraph, at least three days before the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, the postage thereon prepaid. If notice is given by fax, such notice shall be deemed to be delivered at the date and time recorded on the fax confirmation sheet. If notice is given by telegraph, such notice shall be deemed to be delivered when the telegraph is delivered to the telegraph company.
- (d) An annual meeting of the Board of Directors shall be held in October upon 10 days written notice. If the Board of Directors does not designate the place of meeting, the meeting shall be held at the registered office of the Corporation.

- (e) Meetings, both regular and special, shall be held within the State of Texas.

Section 3.3. Special Meetings.

- (a) Special Meetings of the Board of Directors shall be held whenever called by the Chairman, or President, or by the Secretary upon written request of at least two Directors, or at the request of a Sponsoring Entity. Special Meetings shall be held in the same place as designated for regular meetings unless an alternative location, within the State of Texas, receives the consent of a majority of the Directors.
- (b) The Corporation shall give notice to each Director of each special meeting in the same manner as prescribed in Section 3.2(c).
- (c) Any Director may waive notice of any meeting. The attendance of a Director at any 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 because the meeting is not lawfully called or convened.
- (d) Any matter that may be considered and acted upon at a regular meeting of the Board of Directors may be considered and acted upon at a special meeting unless otherwise indicated at the notice of the special meeting.

Section 3.4 Action Without a Meeting of Directors. In accordance with the Texas Open Meetings Act the Board shall only deliberate and take action at an open meeting.

Section 3.5 Waiver of Notice. Whenever any notice is required to be given under the provisions of the Texas Non-profit Corporation Act or under the provisions of the Articles of Incorporation or the Bylaws of the Corporation, 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 deemed equivalent to the giving of such notice.

Section 3.6. Quorum. A majority of the number of voting Directors constituting the Board of Directors shall constitute a quorum for the transaction of business.

Section 3.7. Manner of Acting. The act of a majority of the voting Directors present at a meeting at which a quorum is in attendance shall constitute the act of the Board of Directors, unless the act of a greater number is required by law the Articles or by these Bylaws.

Section 3.8. Conduct of Business.

- (a) At the meetings of the Board of Directors, the business to be transacted shall be considered in such order as from time to time the Board of Directors may determine.
- (b) At all meetings of the Board of Directors, the Chairman shall preside; in the absence of the Chairman, the First Vice Chairman shall preside; and in the absence of the Chairman and the First Vice Chairman, the Second Vice Chairman shall preside.

- (c) The Secretary shall act as secretary of all meetings of the Board of Directors, but in the absence of the Secretary, the presiding officer, may appoint any person to act as secretary of the meeting.

Section 3.9. Compensation of Directors. Directors as such shall not receive any salary or other compensation for their services as Directors, except that they may be reimbursed for their actual and reasonable expenses incurred in the performance of their duties hereunder.

Section 3.10. Conflict of Interest. Conflicts of Interest are addressed in Texas Local Government Code Chapter 171.

Section 3.11. Attendance. Directors, exclusive of Designated members, shall automatically forfeit their position on the Board for unexcused absences in excess of 50% of all scheduled meetings during a twelve-month period or for missing three or more consecutive meetings. Excused absences shall be determined by majority vote of the Board.

Section 3.12 Confidentiality. All directors shall execute and deliver to the Corporation a confidentiality agreement in a form prescribed by the Board of Directors from time to time.

ARTICLE IV OFFICERS

Section 4.1. Officers.

- (a) The officers of the Corporation shall be a Chairman of the Board (the "Chairman"), Vice Chairman, a Secretary, a Treasurer, and such other officers as may be elected in accordance with the provisions of this Article. The Corporation may appoint a President, pursuant to Article V., who shall also be an officer of the Corporation.
- (b) The Board of Directors may elect or appoint such other officers, including one or more Assistant Secretaries, Vice Chairmen and or Assistant Treasurers as it shall deem desirable, such officers to have the authority and perform the duties prescribed, from time to time, by the Board of Directors. Any two or more offices may be held by the same person, except the offices of Chairman or Secretary.
- (c) Officers shall serve for a term of one year and may be removed from an elected office upon majority vote of the other members, with, or without cause.
- (d) In October of each year, officers shall be elected in the manner prescribed by Roberts Rules of Order.

Section 4.2. Vacancies. A vacancy in any elected office because of death, resignation, disqualification, removal from office, or otherwise, may be filled by the Board of Directors for the unexpired portion of the term. A vacancy in any Appointed office because of death, resignation, disqualification, removal from office, or otherwise

may be filled by entity which made the appointment or designation.

Section 4.3. Chairman. The Chairman shall preside at all meetings of the Board of Directors and shall have such other duties as are assigned to the Chairman from time to time by the Board of Directors. If the Board does not appoint a President the Chairman shall have the authority, power and responsibility to implement the policies and the actions of the Board, subject to the direction and review of the Board.

Section 4.6. Vice Chairman. The Vice Chairman shall exercise the powers and perform the duties of the Chairman in the Chairman's absence or inability or refusal to act. The Vice Chairman shall perform such other duties as may be assigned by the Chairman or the Board of Directors.

Section 4.7. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors in books provided for the purpose and shall attend to the giving and serving of all notices for or on behalf of the Corporation. The Secretary will perform like duties for committees when required. In furtherance of the purposes of the Corporation, the Secretary may sign with the President in the name of the Corporation and/or attest the signature of the President on contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments of the Corporation. The Secretary 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. The Secretary shall have charge of the Corporation's corporate books and records and such other property of the Corporation as the Board of Directors may direct. The Secretary shall perform all duties incident to the office of Secretary, subject to the control of the Board of Directors, or by the President.

Section 4.8. Treasurer.

- (a) If required by the Board of Directors, the Treasurer shall give bond for the faithful discharge of his duties in such sum and with such sureties as the Board of Directors shall determine. The Treasurer shall be the custodian of all the funds and securities of the Corporation that come into the Treasurer's hands. When necessary or proper, the Treasurer or other employee of the Corporation designated by the Board may endorse, on behalf of the Corporation, for collection or payment, checks, notes, and other obligations and shall deposit the same to the credit of the Corporation in such depository or depositories as have been designated in the manner prescribed by the Board of Directors. The Treasurer may sign all receipts and vouchers for payment made to the Corporation, either alone or jointly with such other officer or employee of the Corporation as is designated by the Board of Directors.
- (b) Whenever required by the Board of Directors, the Treasurer shall render a statement of the Corporation's cash account, and the Treasurer shall enter or cause to be entered regularly in the books of the Corporation to be kept of that purpose full and accurate amounts of all monies received and paid out on account of the Corporation. The Treasurer shall perform all acts incident to the position of Treasurer, subject to the control of the Board of Directors or by the President.

ARTICLE V - PRESIDENT

Section 5.1. President. The Board of Directors may appoint a President who shall have the authority, power and responsibility to implement the policies and the actions of the Board, subject to the direction and review of the Board and who shall perform such other duties as the Board of Directors shall prescribe. The President shall be the chief executive officer of the Corporation, and subject to the control of the Board of Directors. The President shall be in general charge of the properties and affairs of the Corporation. Upon approval of such transaction by the Board, the President may sign and execute contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes, and other instruments in the name of the Corporation; provided, however, any disbursement or obligation involving \$1,000.00 or more shall require the signature of the President or another designated employee of the Corporation and the co-signature of the Chairman, or in the absence of the Chairman, the Vice Chairman. The President shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

The President shall receive such compensation as the Board of Directors shall determine, and may be removed at any time by the Board with or without cause.

The President shall not be a member of the Board, but shall, unless otherwise directed by the Board, attend meetings of the Board of Directors. The President shall also meet with, advise, and provide administrative support to committees of the corporation, as appropriate.

Section 5.2. Management and Duties of the President. The authority and duties of the President/CEO shall be the following:

- A. to carry out all policies established by the Board of Directors and the Corporation through the current Chairman;
- B. to prepare an annual budget showing the expected receipts and expenditures of the Corporation to be approved by the Board;
- C. to develop and maintain personnel policies and practices for the Corporation as approved by the Board of Directors. Select, employ, supervise, and discharge employees;
- D. to supervise the business affairs of the Corporation;
- E. to present to the Board of Directors and any entity which appoints Directors to the Corporation, periodic reports reflecting the services, financial activities, and performance metrics of the Corporation and prepare and submit any special report as may be required by the above-mentioned Board and entities;
- F. to perform and execute goals and objectives established by the Board of Directors and its partner entities;
- G. to execute the Economic Development Plan, Strategic Plan, and specific programs established by the Board of Directors;
- H. to attend all meetings of the Board of Directors and any meetings of the Rockport City Council, Town of Fulton Board of Aldermen, Aransas County Commissioners Court, Aransas County Navigation District, Rockport-Fulton Chamber of Commerce, and Aransas County Independent School District as may be required; and
- I. to perform any and all other duties that may be necessary in the best interest of the Corporation.

The President has an obligation to inform the Board of Directors of concerns that the Chairman is giving perceived direction contrary to the Board of Directors.

The Board of Directors shall assume supervision over the affairs of the Corporation with the exception that the President/CEO shall have such authority and powers as necessary to carry on the general everyday business of the Corporation

The President/CEO shall keep an accurate set of records reflecting the financial condition of the Corporation at all times. Such records shall be open at any time to inspection by any Director of the Corporation or any appointed or elected officials of any entity which appoints Directors to this Corporation. In addition, it shall be the duty of the President/CEO to supervise the expenditure of the funds of the Corporation and may sign checks, warrants, and vouchers whereby the funds of the Corporation will be disbursed; however, such checks must be, in all cases, countersigned by another Officer as provided herein.

ARTICLE VI – SALARIES

Section 6.1 The salaries of the President/CEO and any other full or part-time employees of the Corporation shall be set by the Board of Directors annually, subject to the approval of the Sponsoring Entities, during the budget process. Employee salary increases, with the exception of the President/CEO, resulting from annual performance evaluations shall be determined by the President/CEO, resulting from annual performance evaluations shall be determined by the President/CEO at the time of the evaluation to the extent that the increases fall within the budget approved by the Board of Directors.

ARTICLE V COMMITTEES

Intentionally deleted.

ARTICLE VI

CONTRACTS, CHECKS, DEPOSITS, AND FUNDS

Section 6.1. **Contracts.** The Board of Directors may authorize any officer or officers, agent or agents of the Corporation, in addition to the officers so authorized by these bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation. Such authority shall be confined to specific instances.

Section 6.2. **Checks and Drafts.** All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the Corporation as herein provided or in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer or an Assistant Treasurer and countersigned by the President of the Corporation.

Section 6.3. **Deposits.** All funds of the Corporation shall be deposited or invested from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

Section 6.4. Gifts. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Corporation. The Board of Directors may refuse to accept any contribution, gift, bequest or devise not deemed by the Board to be in the best interest of the Corporation, that may impose a significant potential liability on the Corporation, or that would threaten the tax-exempt status of the Corporation.

ARTICLE VII REAL ESTATE TRANSACTIONS

Section 7.1. All sales or conveyances or mortgages of real estate owned or held by the Corporation shall be in writing, signed and acknowledged by the Chairman or Vice Chairman in case of the absence, refusal, or inability of the Chairman to act, and the Secretary shall attest such conveyance under the official seal of the Corporation. No real estate shall be purchased, sold, mortgaged, or otherwise disposed of unless the transaction shall first have been ordered by resolution passed by the Board of Directors. Those same requirements shall apply to leases made upon the property of the Corporation, including loans, pledging of assets, multi-year contracts.

ARTICLE VIII PROVISIONS REGARDING BYLAWS

Section 8.1. When Bylaws Take Effect. These Bylaws shall become effective upon the approval of these Bylaws and the adoption of these Bylaws by the Board of Directors and approval by Aransas County, City of Rockport, the Town of Fulton, and the Aransas County Navigation District.

Section 8.2. Amendments to Bylaws. The Articles may be altered, amended, or repealed and new bylaws may be adopted by a vote of two-thirds (2/3) of the Directors present and voting at any regular meeting or at any special meeting at which a quorum is present, if at least ten days written notice is given of intention to alter, amend or repeal or to adopt new bylaws at such meeting. Provided however, that any such alteration, amendment or substitute bylaws shall be consistent in all respects with the Articles of Incorporation of the corporation.

ARTICLE IX Fiscal Provisions

Section 9.1 Fiscal Year. The Corporation's Budget Year shall begin on October 1st each year and end on September 30th the following year.

Section 9.2 Budget. The Corporation's proposed budget for the upcoming fiscal year shall be submitted to the Board of Directors and to the Governing Body of each Sponsoring Entity for approval. The Corporation shall coordinate the timing of each Sponsoring Entity's Governing Body's review of the proposed budget with the chief executive officer of such Sponsoring Entity so that the budget can be approved before the expiration of the current budget year.

**ARTICLE X
INDEMNIFICATION**

Section 10.1. To the extent authorized by law each person who serves as Director or officers of the Corporation shall be indemnified by the Corporation against liabilities imposed upon him or her and expenses reasonably incurred by him or her in connection with any claim made against him or her on any action, suit, or proceeding to which he or she may be a party by reason of his or her being, or having been, such Director or officer, including such sums as independent counsel selected by the Board of Directors shall deem reasonable payment made in further including payments in settlement to avoid expenses of litigation; provided, however, that no director or officer shall be indemnified with respect to matters as to which he or she shall be adjudged in such action, suit or proceeding to be liable for willful negligence or misconduct in the performance of duty or with respect to any matters which performance of duty or with respect to any matters which shall be settled by the payment of sums which counsel selected by the Board of Directors shall not deem reasonable payment for avoiding expenses of litigation, or litigation, or with respect to matters for which such indemnification shall be in addition to any other rights to which Directors or officers may be entitled. The Board of Directors may, at the expense of the Corporation, obtain directors' and officers' liability insurance policies.

**ARTICLE XI
GENERAL PROVISIONS**

- Section 11.1 **Principal Office.** The principal office of the Corporation shall be located in the City of Rockport, Aransas County, Texas. The Corporation may have such other offices, within or without the State of Texas, as the Board of Directors may determine, or the affairs of the Corporation may require from time to time.
- Section 11.2 **Fiscal Year.** The fiscal year of the Corporation shall begin October 1 and end on September 30 in each year.
- Section 11.3 **Seal.** The Board of Directors shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the corporation and "Texas Non-profit Organization." The use of the seal shall not be essential to the validity of any document executed by the Corporation.

**ARTICLE XII
Adoption of Bylaws**

The foregoing Initial Bylaws of this Corporation are hereby adopted by the undersigned, being all the Directors of such Corporation named in the Articles of Incorporation on _____, 2019.

PASSED and APPROVED by **ARANSAS COUNTY COMMISSIONERS COURT** on the _____ day of May 2019.

ATTEST:

ARANSAS COUNTY:

Valerie K. Amason, County Clerk

C.H. "Burt" Mills, Jr., County Judge

PASSED and APPROVED by **ROCKPORT CITY COUNCIL** on the _____ day of May 2019.

ATTEST:

CITY OF ROCKPORT:

Teresa Valdez, City Secretary

Patrick R. Rios, Mayor

PASSED and APPROVED by **TOWN OF FULTON COUNCIL** on the _____ day of May 2019.

ATTEST:

TOWN OF FULTON:

Jan Hill, City Secretary

Jimmy Kendrick, Mayor

PASSED and APPROVED by **ARANSAS COUNTY NAVIGATION DISTRICT COMMISSIONERS** on the _____ day of May 2019.

ATTEST:

ARANSAS COUNTY NAVIGATION DISTRICT

Nelda Covarrubias, Administrative Assistant

Malcolm Dieckow, Chairman