

Bylaws of The Llano River Watershed Alliance

These Bylaws constitute the code of rules adopted by the Llano River Watershed Alliance for the regulation and management of its affairs.

Mission

The Mission of the Llano River Watershed Alliance is to preserve and enhance the Llano River watershed by encouraging land and water stewardship through collaboration, education, and community participation.

ARTICLE I **Principal Office**

Section 1. Location. The principal office of the Corporation in the State of Texas shall be located at Po Box 725 Junction Texas 76849. The Corporation may have other offices, either in Texas or elsewhere, as the Board of Directors may determine. The Board of Directors may change the location of any office of the Corporation.

Section 2. Registered Office and Registered Agent. The Corporation shall comply with the requirements of the Texas Business Organizations Code and maintain a registered office and registered agent in Texas. The registered office may, but need not, be identical with the Corporation's principal office in Texas. The Board of Directors may change the registered office and the registered agent as provided in the Texas Business Organizations Code.

ARTICLE II **Membership**

Section 1. Classes of Membership. The Corporation shall have two classes of membership: individual and business.

Section 2. Qualifications: To be eligible for membership an individual, corporation, partnership or association must have an interest in preserving and enhancing the Llano River watershed and must pay dues as set from time to time by the Board of Directors.

Section 3. Term of membership: The membership term shall be from the first day of September to the last day of August each year and the dues prorated by month for partial terms.

Section 4. Membership voting: Although the Corporation will be controlled by the Board of Directors as set out below, the members shall have the right to vote on such non-binding membership resolutions as may be presented to them at a Board meeting. A member wanting to present a resolution for vote may submit it either through a member of the Board of Directors or directly to the Board in writing signed by that member and at least two other members. In either event, the Board shall then

present the resolution to the membership for its non-binding vote. In setting policies, the Board may, but is not required to, consider the resolutions presented by the members.

ARTICLE III Board of Directors

Section 1. Management of the Corporation. The affairs of the Corporation shall be directed and managed by the Board of Directors, subject to the Texas Business Organizations Code, the Certificate of Formation, and these Bylaws.

Section 2. Number and Qualifications. All Directors must be dues paying members of the Corporation. The number of Directors shall be a number determined by the Board of Directors that is not less than five nor greater than thirty.

Two-thirds (2/3) of the Directors must own property in Llano River watershed. Directorships shall not be denied to any person on the basis of race, creed, sex, religion, or national origin. Employees of the Corporation are ineligible to serve on the Board of Directors.

Section 3. Term of Office. A regular term of office for Directors shall be two years, commencing at the annual meeting; provided, however that for the initial board of directors or for a director appointed later to fill an empty seat, the time between the appointment and the next annual meeting shall not be included as part of the two year period.

Section 4. Nomination of Directors. At any meeting at which the election of a director is necessary to fill a vacancy, any director may, with the second of another director, nominate any qualified person.

Section 5. Election of Directors. A person who meets the qualification requirements to be a director and who has been duly nominated, may be elected as a director. Directors shall be elected by the vote of the Board of Directors.

Section 6. Vacancies. Any vacancy occurring in the Board of Directors, and any director position to be filled due to an increase in the number of directors, shall be filled by the Board of Directors. A vacancy is filled by the affirmative vote of a majority of the remaining directors, even if it is less than a quorum of the Board of Directors, or if it is the sole remaining director.

Section 7. Resignation. Any Director may resign at any time by delivering written notice to the Secretary or President of the Board of Directors. Such resignation shall take effect upon receipt or, if later, at the time specified in the notice.

Section 8. Removal. Any Director may be removed with or without cause, at any time, by a majority of the entire Board of Directors, at a Regular or Special Meeting called for that purpose. Any Director under consideration for removal must first receive notification at least five days prior to the meeting at which the vote takes place.

Section 9. Compensation. Directors shall not receive any salaries or other compensation for their services, but, by resolution of the Board of Directors, may be reimbursed for any actual expenses incurred in the performance of their duties for the Corporation, as long as a majority of disinterested Board of Directors approves the payment and/or reimbursement. Such expenditures should not exceed the amount that would be charged by an independent third party. The Corporation shall not loan money or property to, or guarantee the obligation of, any Director.

ARTICLE IV Officers

Section 1. Officer Positions. All officers of the Corporation shall be Directors. The officers shall include a president, a vice-president, a secretary, and treasurer. The Board of Directors may create additional officer positions, define the authority and duties of each such position, and elect or appoint persons to fill the positions. Any two or more offices may be held by the same person, except the offices of president and secretary.

Section 2. Election and Term of Office. The officers of the Corporation shall be elected annually by the Board of Directors at the annual meeting of the Board of Directors. If the election of officers is not held at this meeting, the election shall be held as soon thereafter as conveniently possible. Each officer shall hold office until a successor is duly selected and qualified. An officer may be elected to succeed him or herself in the same office.

Section 3. Removal. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors with or without good cause by vote of a majority. The removal of an officer shall be without prejudice to the contract rights, if any, of the officer.

Section 5. Vacancies. A vacancy in any office may be filled by the Board of Directors for the unexpired portion of the officer's term.

Section 6. President. The president shall be the chief executive officer of the Corporation and as such shall:

- (a) Supervise and control all of the business and affairs of the Corporation.
- (b) Preside at all meetings of the members and of the Board of Directors.
- (c) Execute any deeds, mortgages, bonds, contracts, or other instruments that the Board of Directors has authorized to be executed; provided, however, the president may not execute instruments of behalf of the Corporation if this power is expressly delegated to another officer or agent of the Corporation by the Board of Directors, the bylaws, or statute.
- (d) Shall perform other duties prescribed by the Board of Directors and all duties incident to the office of president.

Section 7. Vice President. A vice president shall

- (a) Perform the duties of the president when the president is absent, is unable to act, or refuses to act. When a vice president acts in place of the president, the vice president shall have all the powers of and be subject to all the restrictions upon the president.

- (b) Perform other duties as assigned by the president or Board of Directors.

Section 8. Treasurer. The treasurer shall:

- (a) Be responsible for the collection and custody of all monies and, under the Supervision of the Board, make disbursements, have charge of all financial affairs of the Corporation, perform all duties incident to the office of Treasurer.
- (b) Supervise the business affairs of the Corporation and to report annually on the general activities of the Corporation for the previous year.
- (c) Give bond, paid for by the Corporation, for the faithful discharge of his or her duties in a sum and with a surety as determined by the Board of Directors.

Section 9. Secretary. The Secretary shall:

- (a) See that proper notice is provided as stated in the bylaws or as required by law: that minutes of official meetings of the Board of Directors and Executive Committee are taken and kept as part of the corporate records; and that a register is kept of the mailing address of each director, officer, and employee of the Corporation.
- (b) Perform duties as assigned by the president or by the Board of Directors.
- (c) Perform all duties incident to the office of secretary.

ARTICLE V Committees

Section 1. Executive Committee. There is hereby created an Executive Committee whose membership shall be the President, Vice-President, Secretary, and Treasurer.

Section 2. Powers and Duties of the Executive Committee. The Executive Committee shall have the authority to act on behalf of the Corporation in the intervals between Board meetings and shall have such other powers and duties as may from time to time be determined by the Board. The Executive Committee shall keep accurate records of its proceedings and report all actions to all directors on the Board. All actions of the Executive Committee shall be subject to review by the Board of Directors in such a manner as is determined from time to time by the Board.

Section 3. Other Committees. The President, or the Board, may establish such other committees as are necessary for the operation of the Corporation. All other committees shall have only those powers and duties specifically designated by the Board of Directors and shall perform such tasks and activities as may from time to time be determined by the Board. All committees of the Corporation shall keep accurate and true minutes, copies of which shall be filed with the Secretary of the Corporation. All committees of the Corporation shall give adequate notice of meetings as determined by the committee, but in no case shall the notice be less than seventy-two (72) hours. Standing committees of the Corporation shall be chaired by a director and may have members who do not belong to the Corporation.

ARTICLE V Transactions of the Corporation

Section 1. Contracts. The Board of Directors may authorize any officer or agent of the Corporation to enter into a contract or execute and deliver any instrument in the name of and on behalf of the Corporation. This authority may be limited to a specific contract or instrument or it may extend to any number and type of possible contracts and instruments.

Section 2. Deposits. All funds of the Corporation shall be deposited to the credit of the Corporation in banks, trust companies, or other depositories that the Board of Directors selects.

Section 3. Checks and Commitment of Resources. Except as specifically determined by resolution of the Board of Directors, or by these bylaws, or as otherwise required by law, checks, drafts, promissory notes, orders for payment of money and other evidence of indebtedness of the Corporation, shall be signed by two people, one of whom shall be either the Treasurer or the President and the other of whom shall be either the Treasurer or the President or a Director who has previously designated by the Board as a signatory. Such authority shall be limited to budgeted items and non-budgeted items approved by the Board of Directors.

Section 4. Receipt of Funds. Except as specifically determined by resolution of the Board of Directors, or by these bylaws, or as otherwise required by law, the Treasurer, the President or any Board member so designated by resolution of the Board of Directors, may apply for and receive funds on behalf of the Corporation.

Section 5. 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 make gifts and give charitable contributions that are not prohibited by the bylaws, the Certificate of Formation, state law, and any requirements for maintaining the Corporation's federal and state tax status.

ARTICLE VI Meetings

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at such places and at such times as may from time to time be determined by the Board and communicated to all directors, subject to all provisions for notice or waiver of notice as provided in these Bylaws.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held at such places and at such times as may from time to time be determined by the Board, subject to all provisions for notice or waiver of notice as provided in these Bylaws. Unless otherwise specified in these Bylaws, any and all business may be transacted at any regular or special meeting of the Board. Upon 48-hour notice to the Board of Directors of the meeting, special meetings may be called by the President or by the written request of fifty percent (50%) of the directors.

Section 3. Notice. Written or electronic notice of any special meeting of the Board of Directors shall be delivered to each director not less than 48 hours before the date of the meeting. The notice shall

state the place, day, and time of the meeting, who called the meeting, and the purpose or purposes for which the meeting is called.

Section 4. Annual Meeting. The annual meeting shall be the first regularly scheduled meeting in September, at such a time and place as is determined by the Board, and at which the Board shall elect and install officers and transact any and all business that may come before the Board, subject to all provisions for notice of waiver of notice as provided in these Bylaws.

Section 5. Quorum. At all regular meetings of the Board of Directors, the attendance of 25% of the total number of directors either in person or via call shall be necessary and sufficient to constitute a quorum for the transaction of business. If at any time a director suggests the absence of a quorum, the roll shall be taken immediately to determine if a quorum is present. In the absence of a quorum the meeting may be adjourned to such a time and place as determined by the Board when a quorum will be present. No notice other than announcement at the meeting shall be required to continue the meeting.

Section 6. Actions of the Board. The act of a majority of the directors present in person or by proxy, as defined by Section 7, at any meeting where a quorum is present shall constitute an act of the Board of Directors.

Section 7. Voting and Proxy. When it is necessary to vote on any matter before the Board, Directors shall be present in person to vote, *provided* that with reasonable notice to the Board President, a director may attend any meeting and vote by electronic (e-mail or telephone) or by written (including fax) proxy as provided in these Bylaws.

Section 8. Consent. Any action permitted or required to be taken at any meeting of the Board of Directors may be taken without a meeting if consent in writing setting forth the action to be taken shall be given by a majority of the directors. Such consent shall have the same force and effect as a majority vote of the Board. Consent may be obtained in writing, by facsimile, or by e-mail.

ARTICLE VII Indemnification

Section 1. Indemnification. The Corporation shall indemnify an officer or director of the Corporation against reasonable expenses incurred by the director in connection with any proceeding in which the director is named as a defendant or respondent because he or she is, or was, a director of the Corporation, subject to the limitations in the Certificate of Formation and these Bylaws.

Section 2. Conditions. The Corporation shall have no obligation to indemnify an officer or director if he or she is found liable for:

- a) A breach of the director's duty of loyalty to the corporation;
- b) An act or omission not in good faith that constitutes a breach of any duty of the director to the corporation;

- c) An act or omission that involves intentional misconduct, or an intentional violation of the law.
- d) A transaction from which the director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the director's office; or,
- e) An act or omission for which the liability of a director is expressly provided for by an applicable statute.

Section 3. Limits. The Board may adopt, and from time to time amend, reasonable limits on the expenses of any officer or director for whom indemnification is provided.

Section 4. Staff. The Board has the authority to approve or disapprove the establishment of any additional staff positions and guidelines for those positions.

ARTICLE VIII Operations

Section 1. Execution of Documents. The Corporation shall keep correct a complete books and records of account. The Corporation's books and records shall include:

- a) A file-endorsed copy of all documents filed with the Texas Secretary of State relating to the Corporation, including, but not limited to, the Certificate of Formation, and any articles of amendment, restated articles, articles of merger, articles of consolidation, and statement of change of registered office or registered agent.
- b) A copy of the bylaws, and any amended versions or amendments to the bylaws.
- c) Minutes of the proceedings of the Board of Directors, and committees having any of the authority of the Board of Directors.
- d) A list of the names and addresses of the directors, officers, and any committee members of the Corporation.
- e) A financial statement showing the assets, liabilities, and net worth of the Corporation at the end of the three most recent fiscal years.
- f) A financial statement showing the income and expenses of the Corporation for the three most recent fiscal years.
- g) All rulings, letters, and other documents relating to the Corporation's federal, state, and local tax status.
- h) The Corporation's federal, state, and local information or income tax returns for each of the Corporation's three most recent tax years.

Section 2. Inspection and Copying Documents. Any director may inspect and receive copies of all books and records of the corporation required to be kept by the bylaws. Such a person may inspect or receive copies if the person has proper purpose related to the person's interest in the Corporation and if the person submits a request in writing. Any person entitled to inspect and copy the Corporation's books and records may do so through his or her attorney or other duly authorized representative. A person entitled to inspect the Corporation's books and records may do so at a reasonable time no later than five working days after the Corporation's receipt of a proper written request. The Board of Directors may establish reasonable fees for copying the Corporation's books and records by members.

The fees may cover the cost of materials and labor but may not exceed ten cents per page. The Corporation shall provide requested copies of books or records no later than five working days after the Corporation's receipt of a proper written request.

Section 3. Amendments to Bylaws. The bylaws may be altered, amended, or repealed, and new bylaws may be adopted by the Board of Directors. The notice of any meeting at which the bylaws are altered, amended, or repealed, or at which new bylaws are adopted shall include the text of the proposed bylaw provisions as well as the text of any existing provisions proposed to be altered, amended, or repealed. Alternatively, the notice may include a fair summary of those provisions.

Section 4. Legal Authorities Governing Construction of Bylaws. The bylaws shall be construed in accordance with the laws of the State of Texas. All references in the bylaws to statutes, regulations, or other sources of legal authority shall refer to the authorities cited, or their successors, as they may be amended from time to time.

Section 5. Legal Construction. If any bylaw provision is held to be invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability shall not affect any other provision and the bylaws shall be construed as if the invalid, illegal, or enforceable provision had not been included in the bylaws.

Section 6. Dividends Prohibited. No part of the net income of the Corporation shall inure to the benefit of any private shareholder or individual; no dividends shall be paid; and no part of the income of the Corporation shall be distributed to its officers or directors.

Section 7. Loans to Officers and Directors. No loans shall be made by the Corporation to any officer or director for any reason at any time.

Section 8. Fiscal Year. The fiscal year of the Corporation shall be fixed, and may be changed from time to time, by resolution of the Board of Directors.

Section 9. Policies and Procedures. The Board shall have the authority to adopt such policies and procedures as the Board may from time to time determine are necessary, or as the activities of the Corporation may require.

ARTICLE IX Dissolution

Section 1. Dissolution. The Corporation may be dissolved by resolution approved by a majority of the directors in office, even though less than a quorum, or by a sole remaining director. After providing for the payment of all debts, the satisfaction of all liabilities, and the expenses of dissolving the Corporation, any assets remaining upon dissolution of the Corporation shall be disposed of by the remaining directors in accordance with the provisions of the Certificate of Formation and with Texas Business Organizations Code § 22.304.

Section 2. No benefits. No part of the cash or assets of the Corporation shall inure to the benefit or any current or former officer or director, or any current or former employee.

These Bylaws were adopted by a majority of the Board of Directors at a meeting held on the 17 day of September, 2020.