

BYLAWS
OF
GULF COAST ECONOMIC DEVELOPMENT DISTRICT, INC.

ARTICLE I

Name and Purpose

Section 1. Name. The name of the corporation is the Gulf Coast Economic Development District, Inc. (District)

Section 2. Purpose. The purpose of the district is to:

- (a) promote economic growth in the Gulf Coast State Planning Region of Texas;
- (b) increase employment opportunities for unemployed and underemployed persons;
- (c) assist and coordinate economic development planning efforts of local governments and local economic development organizations;
- (d) coordinate economic development planning with transportation planning, community development programs, job training programs, small business development programs and other programs and activities which might stimulate the region's economic betterment;
- (e) implement an economic development technical assistance program which includes workshops, assistance in implementing economic programs, and assistance to local organizations applying for grant assistance for economic development purposes;
- (f) develop a regional Comprehensive Economic Development Strategy (CEDS);
- (g) conduct other activities supporting the region's economic development goals and objectives; and
- (h) All other rights and powers granted to the District as a non-profit organization incorporated under the Texas Non-Profit Corporation Act.

Section 3. Service Area. The District shall serve the counties of Austin, Brazoria, Chambers, Colorado, Fort Bend, Galveston, Harris, Liberty, Matagorda, Montgomery, Walker, Waller, and Wharton.

ARTICLE II

Board of Directors

Section 1. General Powers and Qualification. The business and affairs of the District shall be exercised, controlled, and supervised by its Board of Directors (Board). The Board shall be composed of the necessary representatives so as to comply with the Economic Development Administration's regulations and shall include officials

and/or employees of general purpose local governments, private sector representatives, and others representing regional economic development interests. Until changed by amendment to these bylaws, the number of directors serving on the Board of Directors (Directors) shall be at least 19. The Board will be broadly representative of the District's service area's principal economic interests including business, labor, and education.

Section 2. Composition. The Board will be comprised of the following representatives:

- (a) Local Government Officials. At least a simple majority of the Board shall be elected officials and/or employees of general-purpose units of local government appointed to represent such governments.
- (b) Private Sector Representatives. At least one (1) but no more than five (5) of the Board's membership shall be a private sector representative who are neither elected officials of a general-purpose unit of government nor employees of such government appointed to represent that government. These representatives should have regional interests and not use H-GAC or GCEDD information to gain a competitive advantage.
- (c) Regional Principal Economic Interests. At least one (1) but no more than five (5) of the following: Representatives of Chambers of Commerce, Economic Development Corporations, institutions of post-secondary education, workforce development groups, industry associations, other economic development organizations, and individuals with an economic development background.

Section 3. Representation and Method of Appointment – Local Government.

Local government representation and method of appointment shall be as follows:

- (a) Each County government which has resolved to support and join the District may appoint one representative. Total Board membership representing County government will not exceed thirteen (13).
- (b) Cities that maintain a three-year average Sales and Use Tax Revenue of \$250,000,000 or more may appoint one representative. For city representation, if there is more than one city within a county with a three-year average of \$250,000,000 or more in sales and use tax revenue, the city with the greatest amount of sales and use tax revenue shall preside. Currently, these cities are: Conroe, Houston, Pearland, and Sugar Land.
 - To update city membership, GCEDD staff will review sales and use tax via the Texas Comptroller’s Office periodically through staff discretion or upon request.
 - If a city falls below the three-year average \$250,000,000 threshold, they will be removed from membership.
 - This does not impact county representation.

Section 4. Representation and Method of Appointment – Private Sector Representatives and Regional Economic Interests. Private Sector Representatives and those representing Regional Economic Interests will be appointed by the Houston-Galveston Area Council Board of Directors.

Section 5. Tenure. All representatives shall serve terms of three years. Each Director shall serve for his or her term of office, and until his or her successor shall have been duly appointed pursuant to Sections 3, and 4 of Article II of these bylaws. All Directors are eligible for re-appointment without limitation, so long as they continue to meet qualifications for the category they represent.

Section 7. Vacancies. Vacancies in the Board may be filled in the same manner as Directors are initially appointed, for the same category of Directors. If an appointment is made to fill a vacancy on the Board, the successor Director shall serve for the remaining unexpired term of his or her predecessor.

Section 8. Resignation. Each Director shall have the right to resign at any time upon written notice thereof to the President or Secretary of the District. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof, and the acceptance of such resignation shall not be necessary to make it effective.

ARTICLE III

Duties of the Board

Section 1. General. The corporate powers, business, and property of the board shall be exercised, conducted, and controlled by the Board. The Board shall serve as the policy making body of the District.

Section 2. Organization. The Board will work with its sponsoring agency for staff services, to include the Executive Director to serve as its Chief Administrative Officer and adopt its sponsoring agency's management and accounting policies and procedures.

Section 3. Contracts. On behalf of the , the Executive Director will have authority to enter into contracts and to accept and expend funds from federal, state, and local governmental and private sources.

Section 4. Subcommittees. The Board may establish such subcommittees as it deems necessary to conduct its work.

Executive Committee. The GCEDD will have an Executive Committee which shall serve in an advisory capacity to the President and shall consist of the District Officers. The Executive Committee will meet as needed and at the discretion of the Board President to provide counsel on the strategic direction of the Board. The Executive Committee will be responsible for the creation of additional subcommittees and appointment of committee members to these committees as the need arises and as the Board may direct.

Other Subcommittees. The duties of such subcommittees will be determined by the Executive Committee upon the establishment of each such subcommittee.

- Membership. Board members who are not formally appointed to a committee may volunteer to join the committee and meet with appointed committee members to carry out committee business, including voting on matters before the committee.
- Term. Committees that are not standing committees, such as the Executive Committee, will be active for a necessary period until their objectives are met.
- Other duties. Committees will provide progress reports and/ or updates during regularly scheduled board meetings, or more frequently, if necessary and requested by the Executive Committee.

Section 5. Civil Rights. The Board will establish procedures and take actions necessary to assure compliance with all applicable civil rights laws and regulations.

Section 6. Comprehensive Economic Development Strategy (CEDS). The Board shall be responsible for reviewing, updating, and adopting a CEDS for the District and method of compliance with the applicable requirements of 13 C.F.R. part 303 of EDA regulations.

Section 7. Technical Assistance. The Board may authorize a program of

technical assistance to the District service area, including but not limited to workshops and seminars, and information and assistance on state and federal economic development grants and loans.

Section 8. Coordination and Implementation. The Board will coordinate the District’s activities with local governments, economic development agencies, and other stakeholders. It shall exercise other duties as necessary to ensure implementation of an effective economic development program and compliance with 13 C.F.R. parts 303 and 304.2 of EDA regulations. The Board grants autonomy to the Board’s staff members to carry out and further economic development activities in compliance with the regulations of the Board. The Board requires that all staff projects and opportunities requiring Board action be presented to the Board for its approval decision (i.e., funding opportunities).

Section 9. Public Participation. The Board will hold meetings open to the public at least once a year and shall also publish the date and agenda of such meetings sufficiently in advance to allow the public reasonable time to prepare in order to participate effectively. The District shall provide information sufficiently in advance of decisions to give the public adequate opportunity to review and react to proposals. The Board will provide admittance to meetings to persons who are not members of either the Houston-Galveston Area Council or the District to enable such persons to make their views concerning ongoing and proposed activities in the District’s service area known, in compliance with 13 C.F.R. part 304.2 of the EDA regulations.

ARTICLE IV

Meetings of the Board

Section 1. Regular Meetings. Regular meetings of the Board shall be held four (4) times each fiscal year in person, virtually, or hybrid formats. Directors participating virtually must be visible on camera. Directors must attend at least two regular meetings annually in order to remain in good standing.

Section 2. Special Meetings. Special meetings may be called by the Board President, Chief Administrative officer of the District, or upon the request of at least three members of the Board. All requirements for notice, quorum and other rules governing regular meetings shall apply to special meetings.

Section 3. Notice. All meetings of the Board shall be called by written notice via United States mail electronic mail, or fax at least three (3) days prior to the meeting. Such notice shall state the date, hour, and place where such meeting shall take place. A waiver of notice in writing and signed by the person entitled to such notice, whether before or after the time the notice is required, shall be equivalent to the giving of such notice. Attendance of a Director at a meeting shall constitute 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. Quorum. At any meeting of the Board, with one-third of current Directors or alternates being present in person or by teleconference and entitled to vote at such meeting shall constitute a quorum for all purposes, except where it is otherwise provided by law. Directors participating virtually must be visible on camera.

Section 5. Organization. The President of the Board, or in his or her absence, the Vice President of the Board, or in his or her absence, the Board Secretary/ Treasurer, or in his or her absence, a chairperson chosen by the Directors present, shall preside at each meeting of the Board.

Section 6. Manner of Acting. The District shall adopt a system of parliamentary procedures to assure that Board members and others have access to an effective opportunity to participate in the affairs of the District. The affirmative vote of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board. Any action required to be taken at a meeting of the Board may be taken without a meeting if consent is given in writing setting forth the action to be taken.

Section 7. Proxies. Voting by the Directors shall be done in person or via teleconference at a meeting called or by proxy pursuant to these bylaws.

Section 8. Conflict of Interest. The District will prevent conflicts of interest pursuant to 13 C.F.R. part 302.17 of EDA regulations and the International Development Council's Code of Ethics.

Section 9. Attendance and Removal of Board Members. Directors who are absent (no call/ no show) for two meetings within a year will receive a notice that they are in jeopardy of being removed from the Board. A copy of this notice will also be sent to their nominator, if applicable. Directors who miss three meetings without reason will be removed. A copy of the notice will be sent to the director and the nominator. We will also ask the nominator to nominate a new representative for their community. The roster will reflect the absentee director until a replacement is appointed. For Directors who voluntarily step down from the board, we will ask the nominator to submit a replacement nominee to fill the vacant seat as quickly as possible.

Removal of Board Members due to attendance, conflicts, and/ or conduct shall be acted upon by the Board Members pursuant to these Bylaws.

ARTICLE V

Officers

Section 1. Officers. The officers of the District shall consist of an Executive Director (or designee), (in accordance with Article III, Section 2 of these bylaws) a President, a Vice President, a Secretary/ Treasurer, all of whom shall be elected by the Board. The Board may from time to time grant certain officers the right to

act on behalf of the District and at all times the President, Vice President, and Executive Director are each authorized to execute and deliver agreements and other instruments on behalf of the District.

Section 2. Subordinate Officers and Employees. The Board may appoint and remove such other officers and employees as it may deem necessary, who shall have authority and perform such duties, as from time to time may be prescribed by the Board.

Section 3. Tenure of Office and Removal. The tenure of office of each Officer of the Board shall be one year. Any officer may be removed at any time prior to the expiration of his or her term by affirmative vote of two-thirds of the Directors present, at a meeting duly called and held where a quorum is present.

Section 4. Term Limits. An Officer may not hold an individual Officer position for more than 3 years. An Officer may be nominated for and hold a different Officer position at the conclusion of their term limit.

Section 5. The President. The President shall preside at all meetings of the District and at all meetings of the Directors at which he or she is present. He or she shall see that all orders and resolutions of the Board are carried into effect.

Section 6. Vice-President. The Vice-President shall, in absence of the President, or in the case of his or her inability to act, be vested with the powers and shall perform the duties of the President. The Vice-President shall also perform such other duties and exercise such other powers as may from time to time may be imposed upon or vested in him or her by resolution of the Board.

Section 7. Secretary. The Secretary shall attend all meetings of the Board. He or she shall assure that official records of the Board are maintained; notice of all meetings are provided; and the financial affairs of the District are soundly monitored. He or she shall perform such other duties as may from time to time be prescribed by the Board.

Section 8. Executive Director. The Board may employ or designate an Executive Director. Such Executive Director may not be a member of the Board. The Executive Director shall be Chief Administrative Officer for the District. He or she shall employ, direct and supervise District staff and staff activities pursuant to District policies.

Section 9. Vacancies in Office. If an office of the District becomes vacant by reason of death, resignation, retirement, disqualification or removal from office or inability to act, the Board may, in every such case, choose a successor for such officer who shall hold office for such term as may be prescribed by the Board, but no longer than the unexpired term of the officer or agent whose place is vacant, and until his or her successor shall have been duly elected and qualified.

ARTICLE VI

Miscellaneous Provisions

Section 1. Budget. The District's Board shall approve budgets for federal, state, local and other grants for economic development projects and opportunities. The Board shall assure that local matching funds will be provided for state or federal grants where applicable. The District will make budget information available to the public, as may reasonably be requested.

Section 2. Disbursements. All payments for District expenses shall be in accordance with the fiscal policies and procedures of its sponsoring agency as adopted by the Board.

Section 3. Limitation of Liability. Any debt, liability or obligations of the District shall be those of the District only and not of any other entity participating in the District.

Section 4. Indemnification. The District may indemnify any current or former Director, officer, agent, employee or similar functionary of the District against judgments, penalties, fines, settlements and reasonable expenses actually incurred by such person as provided in Article 1396-2.22A of Vernon's Annotated Texas Statutes, as amended.

Section 5. Contributions. The Board may accept on behalf of the District any contribution, gift, bequest or devise for any purpose of the District.

Section 6. Amendments. The Board may amend or repeal these bylaws or adopt new bylaws consistent with the Articles of Incorporation and laws of this state, upon a majority vote of the Directors, at meetings duly called and held at which a quorum is present. Proposed amendments for initial consideration must be forwarded to each Director at least ten days in advance of a Board meeting.

Section 7. Dissolution. The District's Board may dissolve the District in accordance with the provisions set forth in the Articles of Incorporation and the Texas Non-Profit Corporation Act.

Section 8. Fiscal Year. The fiscal year of the District shall begin on the 1st day of January and end on the 31st day of December of each calendar year.

Section 9. Books and Records. The District shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the meetings of its Board and Subcommittees. The District shall make available to the public such audited statements and minutes of public meetings, as may reasonably be requested. The District and its Board of Directors shall comply with all Federal and State financial assistance reporting requirements pursuant to EDA regulations.