

AMENDMENT TO BYLAWS  
OF  
WALLER COUNTY FAIR ASSOCIATION

These Amendments to Bylaws (referred to as the "Bylaws") govern the affairs of Waller County Fair Association, a nonprofit corporation (referred to as the "Corporation") organized under the Texas Non-Profit Corporation Act (referred to as the "Act"). It is the purpose and intent of these amended Bylaws to delete in their entirety any and all Bylaws and/or Amendments to Bylaws previously in effect for the Corporation and these amended Bylaws hereby will be in lieu thereof.

**ARTICLE 1**

**OFFICES**

**Principal Office**

1.01 The principal office of the Corporation in the State of Texas shall be located at 21988 FM 359, Hempstead, Texas 77445. The Corporation may have such 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.

**Registered Office and Registered Agent**

1.02 The Corporation shall comply with the requirements of the Act 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 Act.

**ARTICLE 2**

**MEMBERS**

**Classes of Members**

2.01 The Corporation shall have one class of members. Each member will be entitled to one vote. A member shall be entitled to vote on all matters put before the membership.

**Admission of Members and Renewal of Membership**

2.02 Natural persons may be admitted to membership in the Corporation by the Board of Directors, or a committee designated by the Board to handle such matters. The Board of Directors of a Board designated committee may adopt and amend application procedures and qualification for membership in the Corporation. An affirmative vote of the majority of the Directors of a Board designated committee present and voting shall be required for admission of any applicant who meets the membership qualifications then in effect. A member may renew membership by paying all required fees and dues.

### **Membership Fees and Dues**

2.03 Membership and yearly dues must be paid by the last Saturday of the fair by 5pm, to be eligible to vote at the membership meeting in December. The Board of Directors may set and change the amount of an initiation fee, if any, and the annual dues payable to the Corporation by member. Dues shall be payable in advance on the first day of each fiscal year. The dues for a new member's first year shall be from the first day of the month in which the member is admitted to membership through the end of the fiscal year.

### **Certificates of Membership**

2.04 The Board of Directors may provide for the issuance of certificates evidencing membership in the Corporation. When a person has been admitted as a member and has paid any required fees and dues, the Corporation may issue a certificate of membership to the person. Membership certificates shall be signed by the president or a vice president and by the secretary or an assistant secretary. Membership certificates shall be numbered consecutively with different sequences of numbers for each class of members. If a certificate is lost, mutilated or destroyed a new certificate may be issued.

### **Voting Rights**

2.05 Each member shall be entitled to one vote on each matter submitted to a vote of the members.

### **Resolution of Disputes**

2.06 In any dispute between members relating to the activities of the Corporation, all parties involved shall cooperate in good faith to resolve the dispute. If the parties cannot resolve the dispute between themselves, they shall cooperate to select one or more mediators to help resolve the dispute. If no timely resolution of the dispute occurs through mediation, any party may demand binding arbitration as provided in the American Arbitration Association, but only if the parties have met together with a mediator. This paragraph shall not apply to a dispute involving the Corporation as a party relating to the sanctioning, suspension, or expulsion of a member from the Corporation. The Board of Directors shall have the discretion to authorize the use of the Corporation's funds for mediation or arbitration of a dispute described in this paragraph. Any party may demand binding arbitration only if the parties have met together with the mediator.

### **Sanction, Suspension or Termination of Members**

2.07 The Board of Directors may impose reasonable sanctions on a member, or suspend or expel a member from the Corporation, for good cause after a hearing. Good cause includes the default of an obligation to the Corporation to pay fees or dues for a period of ninety (90) days following delivery of notice of default, or a material and serious violation of the Corporation's articles of incorporation, bylaws, or rules or of law. The Board of Directors may delegate power to a regular or Executive Committee to conduct a hearing, make recommendations to the Board of Directors, or take action on behalf of the Board of Directors. The Board of Directors or a committee designated by the Board of Directors to handle a matter involving sanctioning, suspension or expulsion may not take an action against a member without giving the member adequate notice

and an opportunity to be heard. To be deemed adequate, notice shall be in writing and delivered at least fourteen (14) days prior to the hearing. However, shorter notice may be deemed adequate if the Board of Directors or a committee designated by the Board of Directors to handle a matter involving sanctioning, suspension or expulsion determines that the need for a timely hearing outweighs the prejudice caused to the member and if a statement of the need for a timely hearing is included in the notice. If mailed, the notice shall be sent by registered or certified mail, return receipt requested. A member shall have the right to be represented by counsel at and before the hearing. The Board of Directors or a committee designated by the Board of Directors to handle a matter involving sanctioning, suspension, or expulsion may impose sanctions, suspend a member, or expel a member by vote of the majority of directors or a committee designated by the Board of Directors to handle a matter involving sanctioning, suspension or expulsion who are present and voting.

### **Resignation**

2.08 Any member may resign from the Corporation by submitting a written resignation to the President. The resignation need not be accepted by the Corporation to be effective. A member's resignation shall not relieve the member of any obligations to pay any dues, assessments, or other charges that had accrued and were unpaid prior to the effective date of the resignation.

### **Reinstatement**

2.09 A former member may submit a written request for reinstatement of membership. The Board of Directors or a committee designated by the Board of Directors to handle the matter may reinstate membership on any reasonable terms that the Board of Directors or committee deems appropriate.

### **Transfer of Membership**

2.10 Membership in the Corporation is not transferable or assignable. Membership terminates on the dissolution of the Corporation or the death of a member. Membership in the Corporation is not a property right that may be transferred after a member's death.

### **Waiver of Interest in Corporation Property**

2.11 All real and personal property, including all improvements located on the property, acquired by the Corporations shall be owned by the Corporation. A member shall have no interest in specific property of the Corporation. Each member hereby expressly waives the right to require partition of all or part of the Corporation's property.

## **ARTICLE 3**

### **MEETINGS OF MEMBERS**

#### **Annual Meeting**

3.01 Beginning in 2007, The Board of Directors shall hold an annual meeting of the members at seven o'clock p.m. on the first Tuesday of December of each year or at another time that the Board of Directors designates. If the day fixes for the annual meeting is a Saturday, Sunday, or legal holiday in the State of Texas, the meeting shall be held on the next business day. At the annual meeting, the members shall elect directors and transact any other business that may come before the meeting. If, in any year the election of directors is not held on the day designated for the annual meeting, or at any adjournment of the annual meeting, the Board of Directors shall call a special meeting of the members as soon thereafter as possible to conduct the election of directors.

#### **Special Meeting**

3.02 Special meetings of the members may be called by the President, the Board of Directors or not less than 30% of the voting members.

#### **Place of Meetings**

3.03 The Board of Directors may designate any place, either within or without the State of Texas as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. If the Board of Directors does not designate the place of meeting, the meeting shall be held at the registered office of the Corporation in Texas.

#### **Notice of Meetings**

3.04 Notice of an annual or regular meeting is not required. Written or printed notice of a special meeting of members shall be delivered to each member entitled to vote at the meeting not less than ten (10) nor more than fifty (50) days before the date of the meeting. If the Corporation has more than 1,000 members at the time the special meeting is scheduled or called, notice may be given by publication in any newspaper of general circulation in a community in which the principal office of the Corporations is located. The notice shall state the place, day and time of the meeting, who called the meeting and the general purpose or purposes of which the meeting is called. Notice shall be given by or at the direction of the President or Secretary of the Corporation, or the officers, or person calling the meeting. If all of the members meet and consent to the holding of the meeting, any corporate action may be taken at the meeting regardless of the lack of proper notice.

### **Quorum – Membership Meeting**

3.05 The 30 members who attend the meeting in person shall constitute a quorum at that meeting. The members present at a duly called or held meeting at which a quorum (30 members) is present may continue to transact business even if enough members leave the meeting so that less than a quorum, remains. However, no action may be approved with the vote of not less than a majority of the number of members required to constitute a quorum. If a quorum is not present, at no time during a meeting, a majority of the members present may adjourn and reconvene the meeting, one time without further notice.

### **Actions of Membership**

3.06 Primary job of the membership is to vote on the Board of Directors. A member in good standing is one who had paid all required fees and dues and is not suspended as of the date of the meeting is entitled to vote at the annual meeting of Board of Directors. Voting shall be by ballot.

## **Article 4**

### **Board of Directors and Associate Directors**

4.01 The affairs of the Corporation shall be managed by the Board of Directors.

### **Number, Qualifications and Tenure of Directors**

4.02 The number of Directors shall be 26 or a number determined by the Board of Directors that is not less than three (3) and not greater than thirty-five (35). Directors shall be members of the Association. Each Director shall serve for a term of two (2) years. The terms of the Directors shall be staggered so that the terms of half of the Directors will be elected each year. At no time in each year may anyone's immediate family hold more than three board of director positions. At no time in each year may one immediate family hold more than two executive board positions. (Immediate family is defined as husband, wife, father, mother, daughter, son, sister, brother, daughter-in-law and son-in-law.) Directors are required to attend nine (9) meetings from December to November and participate in the majority of fundraising activities and workdays held by the Waller County Fair. If a director is unable to make the required number of meetings their status will be reviewed by the Executive Board prior to them being re-assigned to an Associate Director.

4.02(a) The number of Associate Directors shall be 26 or a number determined by the Board of Directors. Associate Directors shall be member of the Association. Each Associate Director shall serve a one (1) year term that will be from December to November. The Associate Director positions will be voted on by the current Board of Directors and current Associates Directors. Associate directors are required to attend seven (7) meetings from January to December and participate in the majority of fundraising activities and workdays held by the Waller County Fair. If an Associate Director is unable to make the required number of meetings their status will be reviewed by the Executive Board prior to them being re-assigned to member status. If removed from an associate, at that time their position will remain open until the next election in January is held.

4.02(b) Starting in 2018—General members must follow the same criteria as an Associate Director to be eligible for the Director/Associate Ballot the following year.

### **Nomination of Directors**

4.03 At any meeting at which the election of a directors occurs, a voting member in good standing may nominate a person with a second of any other voting member in good standing. In addition to nomination made at meeting, a nominating committee shall consider possible nominees and make nominations for each election of directors. The secretary shall include the names nominated by the nomination committee, and any report of the committee, with a notice of the meeting at which elections occurs.

### **Election of Directors**

4.04 A person who meets any qualification requirements to be a director and who has been duly nominated may be elected as a director. Directors shall be elected by no less than thirty (30) members of the Corporation. Directors shall be elected at the annual meeting of the members. In electing directors, members shall not be permitted to cumulate their votes by giving one candidate as many votes as the number of directors to be elected or by distributing the same number of votes among any number of candidates. Each director shall hold office until a successor is elected and qualified. A director may be elected to succeed himself or herself as director.

### **Vacancies**

4.05 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 it if is less than a quorum of the Board of Directors, or if it is a sole remaining director. A director elected to fill a vacancy shall be elected for the unexpired term of the predecessor in office.

### **Annual Meeting**

4.06 The annual meeting of the Board of Directors may be held without notice other than these bylaws. The annual meeting of the Board of Directors shall be held immediately after, and at the same place as, the annual meeting of members.

### **Regular Meeting**

4.07 The Board of Directors may provide for regular meetings by resolution stating the time and place of such meetings. The meetings may be held either within or without the State of Texas and shall be held at the Corporation's registered office in Texas if the resolution does not specify the location of the meetings. No notice of regular meetings of the Board is required other than a resolution of the Board of Directors stating the time and place of the meetings.

### **Special Meetings**

4.08 Special meetings of the Board of Directors may be called by or at the request of the President or any seven (7) DIRECTORS. A PERSON OR PERSONS AUTHORIZED TO CALL SPECIAL MEETINGS OF THE Board of Directors may fix any place within Texas as the place for holding a special meeting. The person or persons calling a special meeting shall notify the secretary of the information required to be included in the notice of the meeting. The secretary shall give notice to the directors as required in the bylaws.

### **Notice**

4.09 Written or printed notice of any special meeting of the Board of Directors shall be delivered to each director not less than seven (7) nor more than thirty (30) days 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.

### **Quorum**

4.10 A majority of the number of directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. The directors present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough directors leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of directors required to constitute a quorum. If a quorum is not present during a meeting, a majority of the directors present may adjourn and reconvene the meeting one time without further notice.

### **Duties of Directors**

4.11 Directors shall exercise ordinary business judgement in managing the affairs of the Corporation. Directors shall act as fiduciaries with respect to the interests of the members. In acting in their official capacity as directors of this Corporation, directors shall act in good faith and take actions they reasonably believe to be in the best interests of the Corporation and that are not unlawful. In all other instances, the Board of Directors shall not take any action that they should reasonably believe would be opposed to the Corporation's best interests or would be unlawful. A director shall not be liable if, in the exercise or ordinary care, the directors acts in good faith relying on written financial and legal statements provided by an accountant or attorney retained by the Corporation.

### **Actions of Board of Directors**

4.12 The Board of Directors shall try to act by consensus. However, the vote of a majority of directors present and voting at a meeting at which a quorum is present shall be sufficient to constitute the act of the Board of Directors unless the act of a greater number is required by law or the bylaws. A director who is present at a meeting and abstains from a vote is not considered to be present and voting for the purpose of determining the decision of the Board of Directors.

## **Compensation**

4.13 Directors may receive salaries for their services. The Board of Directors may adopt a resolution providing for payment to directors of a fixed sum and expenses of attendance, if any, for attendance at each meeting of the Board of Directors. A director may serve the Corporation in any other capacity and receive compensation for those services. Any compensation that the Corporation pays to a director shall be commensurate with the services performed and reasonable in amount.

## **Removal of Directors**

4.14 The Board of Directors may vote to remove a director at any time with or without good cause. A meeting to consider the removal of a director may be called and noticed following the procedures provided in the bylaws. The notice of the meeting shall state that the issue of possible removal of the director will be on the agenda and the notice shall state the possible cause for removal. The director shall have the right to present evidence at the meeting as to why he or she should not be removed, and the director shall have the right to be represented by an attorney at and before the meeting. At the meeting, the Corporation shall consider possible arrangements for resolving the problems that are in the mutual interest of the Corporation and the director. A director may be removed by the affirmative vote of fifty percent (50%) of the Board of Directors.

## **ARTICLE 5**

### **OFFICERS**

#### **Officer Positions**

5.01 The officers of the Corporation shall be a president, a first vice president, second vice president, a secretary, a parliamentarian and treasurer. The Board of Directors may create additional officers 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.

#### **Election and Term of Office**

5.02 The officers of the Corporation shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. If the election of officers is not held at the meeting, the election shall be held as soon thereafter as conveniently possible. Each officer shall hold office until a successor is fully selected and qualified. An officer may be elected to succeed himself or herself in the same office.

#### **Removal**

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



## **Vacancies**

5.04 A vacancy in any office may be filled by a majority vote of the Board of Directors for the unexpired portion of the officer's term.

## **President**

The president shall be the chief executive officer of the Corporation. The president shall supervise and control all of the business and affairs of the Corporation. The president shall preside at all meetings of the members and of the Board of Directors. The president may execute any deeds, mortgages, bonds, contracts or other instruments that the Board of Directors have authorized to be executed. However, the president may not execute instruments on behalf of the Corporation if this power is expressly delegated to another officers or agent of the Corporation by the Board of Directors, the bylaws, or statute. The president shall perform other duties prescribed by the Board of Directors and all duties incident to the office of president.

## **First Vice President and Second Vice President**

5.06 When the president is absent, and is unable to act, or refuses to act, the first vice president or in his absence the second vice president, shall perform the duties of the president. 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. If there is more than one vice president, the vice presidents shall act in place of the president in the order of the votes received when elected. A vice president shall perform other duties as assigned by the president of Board of Directors.

## **Treasurer**

5.07 The treasurer shall:

- (a) Have charge and custody of and be responsible for all funds and securities of the Corporation.
- (b) Receive and give receipts for moneys due and payable to the Corporation from any source.
- (c) Deposit all moneys in the name of the Corporation in banks, trust companies, or other depositories as provided in the bylaws or as directed by the Board of Directors or president.
- (d) Write checks and disburse funds to discharge obligations of the Corporation. Funds may not be drawn from the Corporation or its accounts for amounts greater than \$500.00 without two signatures of the president, first vice president, second vice president, treasurer, and/or secretary.
- (e) Maintain the financial books and records of the Corporation.
- (f) Prepare financial reports at least annually.
- (g) Perform other duties as assigned by the president or by the Board of Directors.
- (h) If required by the Board of Directors, give a bond for the faithful discharge of his or her duties in a sum and with a surety as determined by the Board of Directors.
- (i) Perform all of the duties incident to the office of treasurer.

## **Secretary**

5.08 The Secretary shall:

- (a) Give all notices as provided in the bylaws or as required by law.
- (b) Take minutes of the meetings of the members and of the Board of Directors and keep the minutes as part of the corporate records.
- (c) Maintain custody of the corporate records and the seal of the Corporation.
- (d) Affix the seal of the Corporation to all documents as authorized.
- (e) Keep a register of the mailing address of each member, director, officer and employee of the Corporation.
- (f) Perform duties as assigned by the president or by the Board of Directors.
- (g) Perform all duties incident to the office of secretary.

## **ARTICLE 6**

### **COMMITTEES**

#### **Establishment of Committees**

6.01 The Board of Directors may adopt a resolution establishing one or more committees delegating specified authority to a committee and appointing or removing members of a committee. A committee shall include at least one board of director, and or an associate director or an additional board of director. If the Board of Directors delegates any of its authority to a committee, the committee shall consist of either directors or members or a combination thereof. The Board of Directors may delegate to the president its power to appoint and remove members of a committee that has not been delegated any authority of the Board of Directors. The establishment of a committee or the delegation of authority to it shall not relieve the Board of Directors, or an individual director, of any responsibility imposed by the bylaws or otherwise imposed by law. No committee shall have the authority of the Board of Directors to:

- (a) Amend the articles of incorporation.
- (b) Adopt a plan of merger or a plan of consolidation with another corporation.
- (c) Authorize the sale, lease, exchange or mortgage of all of substantially all of the property and assets of the Corporations.
- (d) Authorize the voluntary dissolution of the Corporation.
- (e) Revoke proceeding for the voluntary dissolution of the Corporation.
- (f) Adopt a plan for the distribution of the assets of the Corporation.
- (g) Amend, alter, or repeal the bylaws.
- (h) Elect, appoint or remove a member of a committee or a director or officers of the Corporation.
- (i) Approve any transaction to which the Corporation is a party and that involves a potential conflict of interest as defined in paragraph 7.04 below.
- (j) Take any action outside the scope of authority delegated to it by the Board.
- (k) Take final action on the matter that requires approval of the members.

### **Authorization of Specific Committee**

6.02 There shall be the following committees: Membership, Executive Committee, Nominating and Program Committee. The Board of Directors shall define the activities and scope of authority of each committee by resolution. The Executive committee shall consist of the following person(s): President, First and Second Vice-Presidents, Treasurer, Parliamentarian, Secretary and three (3) Directors-At-Large, who are appointed by the President, and confirmed by the Executive Board and shall also be members of the Board of Directors. In the event of a vacancy should a vacancy occur in the Executive Board, the President shall fill the vacancy by appointment with the approval of the majority of the Board of Directors. The Executive Committee shall have and exercise such powers as the Board of Directors, except where same may be limited by the Board. All meetings of the Executive Committee may be called by the President or a majority of the Board, either by written or verbal notice. Five members of the Executive Board in attendance shall constitute a quorum in order to transact business.

### **Term of Office**

6.03 Each member of a committee shall continue to serve on the committee until the next annual meeting of the members of the Corporation and until a successor is appointed. However, the term of a committee member may terminate earlier if the committee is terminated, or if the member dies, ceases to qualify, resigns, or is removed as a member. A vacancy on the committee may be filled by an appointment made in the same manner as an original appointment. A person appointed to fill a vacancy on the committee shall serve for the unexpired portion of the terminated committee member's term.

### **Chair, Vice Chair and Secretary**

6.04 One member of each committee shall be designated as the chair of the committee and another member of each committee shall be designated as the vice-chair. The chair and vice-chair and secretary shall be appointed by the committee members or the president of the Corporation. The chair shall call and preside at all meetings of the committee. When the chair is absent, is unable to act, or refuses to act, the vice-chair shall perform the duties of the chair. When a vice-chair acts in place of the chair, the vice-chair shall have all the powers of and be subject to all the restriction upon the chair.

### **Notice of Meetings**

6.05 Written, printed or electronic (two of the three must be met) notice of a committee meeting to elect chair and vice-chair and secretary shall be delivered to each member of a committee not less than seven (7) nor more than thirty (30) days before the date of the meeting. The notice shall state the place, day and time of the meeting and the purposes for which the meeting is called.

### **Quorum**

6.06 A committee must consist of a minimum three voting members and a maximum of no more than thirteen voting members. Fifty-one percent (51%) of the number of members of a committee shall constitute a quorum for the transaction of business at any meeting of the committee. The committee members present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough committee members leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of committee members required to constitute a quorum. In the event a committee has thirteen voting member subsequent committee meeting for elections will follow the same format of the members meetings under Article 2. If a quorum is not present at no time during a meeting, a majority of the members present may adjourn and reconvene the meeting one time without further notice.

### **Actions of Committees**

6.07 All committee meetings must be conducted under the rules and regulations of parliamentary procedure. (Including motions being made, seconded, and approval of a majority vote) and documented in the minutes by the committee secretary. Committees shall try to take action by consensus. However, the vote of a majority of committee members present and voting at a meeting at which a quorum is present shall be sufficient to constitute the act of the committee unless the act of a greater number is required by law or the bylaws. A committee member who is present at a meeting and abstains from a vote is not considered to be present and voting for the purpose of determining the act of the committee. All committee minutes are to be turned in electronically to the Waller County Fair Office Secretary/Manager with 7 days of the committee meeting.

### **Compensation**

6.08 Committee members shall not receive salaries for their services. The Board of Directors may adopt a resolution providing for payment to committee members for a fixed sum and expenses of attendance, if any, for attendance at each meeting of their committee. A committee member may serve the Corporation in any other capacity and receive compensation for those services. Any compensation that the Corporation pays to a committee member shall be commensurate with the services performed and shall be reasonable in amount.

### **Rules**

6.09 Each committee may adopt rules for its own operation not inconsistent with the bylaws or with rules adopted by the Board of Directors. These additional rules must be approved by the Board of Directors.

## **ARTICLE 7**

### **TRANSACTIONS OF THE CORPORATION**

#### **Contracts**

7.01 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.

#### **Deposits**

7.02 All funds of the Corporation shall be deposited to the credit of the Corporation in bank's trust companies, or other depositories that the Board of Directors selects.

#### **Gifts or Donations**

7.03 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 by the bylaws, the articles of incorporation, state law and any requirements for maintaining the Corporation's federal and state tax status.

#### **Potential Conflicts of Interest**

7.04 The Corporation shall not make any loan to a director or officer of the Corporation. A member, director, officer or committee member of the Corporation may lend money to and otherwise transact business with the Corporation except as otherwise provided by the bylaws, articles of incorporation, and all applicable laws. Such a person transacting business with the Corporation has the same rights and obligations relating to those matters as other persons transacting business with the Corporation. The Corporation shall not borrow money from or otherwise transact business with a member, director, officer or committee member of the Corporation unless the transaction is described fully in a legally binding instrument and is in the best interest of the Corporation. The Corporation shall not borrow money from or otherwise transact business with a member, director, officer or committee member of the Corporation without full disclosure of all relevant facts and without the approval of the Board of Directors, not including the vote of any person having a personal interest in the transaction.

#### **Prohibited Acts**

7.05 As long as the Corporation is in existence, and except with the prior approval of the Board of Directors, no member, director, officer or committee member of the Corporation shall:

- (a) Do any act in violation of the bylaws or a binding obligation of the Corporation.
- (b) Do any act with the intention of harming the Corporation or any of its operations.
- (c) Do any act that would make it impossible or unnecessarily difficult to carry on the intended or ordinary business of the Corporation.
- (d) Receive an improper personal benefit from the operation of the Corporation.

- (e) Use the assets of this Corporation, directly or indirectly for any purpose other than carrying on the business of this Corporation
- (f) Wrongfully transfer or dispose of Corporation property, including intangible property such as good will.
- (g) Use the name of the Corporation (or any substantially similar name) or any trademark or tradename adopted by the Corporation, except on behalf of the Corporation in the ordinary course of the Corporation's business.
- (h) Disclose any of the Corporation business practices, trade secrets, or any other information not generally known to the business community to any person not authorized to receive it.

## **ARTICLE I**

### **BOOKS AND RECORDS**

#### **Required Books and Records**

8.01 The Corporation shall keep correct and 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 articles of incorporation, 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 members, Board of Directors, and committees have any of the authority of the Board of Directors.
- (d) A list of the names and addressed of the members, 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 (3) most recent fiscal years.
- (f) A financial statement showing the income and expenses of the Corporation for the three (3) 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 (3) most recent tax years.

#### **Inspections and Copying**

8.02 Any member, director, officer, or committee member of the Corporation 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 a 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 of 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 the reasonable time no later than five (5) 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 fee may cover the cost of material and labor. but may not exceed 1.25 cents per page. The Corporation shall provide requested copies of books or records no later than five (5) WORKING DAYS AFTER THE Corporation's receipt of a proper written request.

### **Audits**

8.03 Any member shall have the right to have an audit conducted of the Corporation's books. The member requesting the audit shall bear the expense of the audit unless the members vote to authorize payment of audit expenses. The member requesting the audit may select the accounting firm to conduct the audit. A member may not exercise these rights to compel audits so as to subject the Corporation to an audit more than once in any fiscal year.

### **ARTICLE 9**

#### **FISCAL YEAR**

9.01 The fiscal year of the Corporation shall begin on the first day of January and end on the last day in December in each year.

### **ARTICLE 10**

#### **INDEMNIFICATION**

##### **When Indemnification is Required, Permitted and Prohibited**

10.01 (a) The Corporation shall indemnify a director, officer, committee member, employee, or agent of the Corporation who was, is, or may be named defendant or respondent in any proceeding as a result of his or her actions or omissions with the scope of his or her official capacity in the Corporation. For the purpose of this article, an agent includes one who is or was serving at the request of the Corporation as a director, officers, partner venture, proprietor, trustee, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise. However, the Corporation shall indemnify a person only if he or she acted in good faith and reasonably believed that the conduct was in the Corporation's best interests. In a case of a criminal proceeding, the person may be indemnified only if he or she had no reasonable cause to believe that the conduct was unlawful. The Corporation shall not indemnify a person who is found liable to the Corporation or is found liable to another on the basis of improperly receiving a personal benefit. A person is conclusively considered to have been found liable in relation to any claim, issue, or matter if the person has been adjudged liable by a court of competent jurisdiction and all appeals have been exhausted.

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

(c) The Corporation shall pay or reimburse expenses incurred by a director, officer, committee member, employee, or agent of the Corporation in connection with the person's appearance as a witness or other participation in a proceeding involving or

affecting the Corporation when the person is not a named defendant or respondent in the proceeding.

(d) In addition to the situations otherwise described in this paragraph, the Corporation may indemnify a director, officer, committee member, employee or agent of the Corporation to the extent permitted by law. However, the Corporation shall not indemnify any person in any situation in which indemnification is prohibited by the terms of paragraph 10.01(a) above.

(e) Before the final disposition of a proceeding, the Corporation may pay indemnification expenses permitted by the bylaws and authorized by the Corporation. However, the Corporation shall not pay indemnification expenses to a person before the final disposition of a proceeding if the person is a named defendant or respondent in a proceeding brought by the committed other willful or international misconduct.

(f) If the Corporation may indemnify a person under the bylaws, the person may be indemnified against judgments, penalties, including excise and similar taxes, fines, settlements, and reasonable expenses (including attorney's fees) actually incurred in connection with the proceeding. However, if the proceeding was brought by or on behalf of the Corporation, the indemnification is limited to reasonable expenses actually incurred by the person in connection with the proceeding.

#### **Procedures Relating to Indemnification Payments**

10.02 (a) Before the Corporation may pay any indemnification expenses (including attorney's fees), the Corporation shall specifically determine that indemnification is permissible, authorize indemnification, and determine that expenses to be reimbursed are reasonable, except as provided in paragraph 10.02(c), below. The Corporation may make these determinations and decisions by any one of the following procedures:

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

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

(iii) Determination by a special legal counsel selected by the Board of Directors by vote as provided in paragraph 10.02(a)(i) or 10.02(a)(ii) or if such a quorum cannot be obtained and such a committee cannot be established, by a majority vote of all directors.

(iv) Majority vote of members, excluding directors who are named defendants or respondents in the proceeding.

(b) The Corporation shall authorize indemnification and determine that expenses to be reimbursed are reasonable in the same manner that it determined whether indemnification is permissible. If the determination that indemnification is permissible is made by special legal counsel, authorization of indemnification and determination or reasonableness of expenses shall be made in the manner specified by paragraph 10.02(a)(iii), above governing the selection of special legal counsel. A provision contained in the articles of incorporation, the bylaws, or a resolution of members or the Board of Directors that requires the indemnification permitted by paragraph 10.01, above, constitutes sufficient authorization of indemnification even through the provision may not have been adopted or authorized in the same manner as the determination that indemnification is permissible.



(c) The Corporation shall pay indemnification expenses before final disposition of a proceeding only after the Corporation determines that the facts then known would not preclude indemnification and the Corporation receives a written affirmation and undertaking from the person to be indemnified. The determination that the facts then known to those making the determination would not preclude indemnification and authorization of payment shall be made in the same manner as a determination that indemnification is permissible under paragraph 10.02(a), above. The person's written affirmation shall state that he or she has met the standard of conduct necessary for indemnification under the bylaws. The written undertaking shall provide for repayment of the amount paid reimbursed by the Corporation if it is ultimately determined that the person has not met the requirements for indemnification. The undertaking shall be an unlimited general obligation of the person, but it need not be secured and it may be accepted without reference to financial ability to make repayment.

(d) Any indemnification or advance of expenses shall be report in writing to the members of the Corporation. The report shall be made with or before the notice or waiver of notice of the next membership meeting, or with or before the next submission to members of a consent to action without a meeting. In any case, the report shall be sent within the 12 months period immediately following the date of the indemnification or advance.

## **ARTICLE 11**

### **NOTICES**

#### **Notice by Mail or Electronically**

11.01 Any notice required or permitted by the bylaws to be given to a member, director, officer or member of a committee of the Corporation may be given by mail, email, hand delivered. If mailed, a notice shall be deemed to be delivered when deposited in the United States mail addressed to the person at his or her address as it appears on the records of the Corporation, with postage prepaid. A person may change his or her address by giving written notice to the secretary of the Corporation.

#### **Signed Waiver of Notice**

11.02 Whenever any notice is required to be given under the provisions of the Act or under the provisions of the articles of incorporation or the bylaws, a waiver in writing signed by a person entitled to receive a notice shall be deemed equivalent to the giving of the notice. A waiver of notice shall be effective whether signed before or after the time state in the notice be waived.

### **Waiver of Notice by Attendance**

11.03 The attendance of a person at a meeting shall constitute a waiver of notice of the meeting unless the person attends for the express purpose of objecting the transaction of any business because the meeting is not lawfully called or convened.

## **ARTICLE 12**

### **SPECIAL PROCEDURES CONCERNING MEETINGS**

#### **Meeting by Teleconference**

12.01 The Board of Directors, and any committee of the Corporation may hold a meeting by teleconference-call procedures in which all persons participating in the meeting can hear each other. The notice of a meeting by telephone conference must state the fact that the meeting will be held by telephone as well as all other matters required to be included in the notice. Participation of a person in a conference-call meeting constitutes presence of that person at the meeting.

#### **Decision Without Meeting**

12.02 Any decision required or permitted to be made at a meeting of the Board of Directors, or any committee of the Corporation may be made without a meeting. A decision without a meeting may be made if a written consent to the decision is signed by all the persons entitled to vote on the matter. The original signed consents shall be placed in the Corporation minute book and kept with the Corporation's records.

## **ARTICLE 13**

### **AMENDMENTS TO BYLAWS**

The bylaws may be altered, amended, or repealed and new bylaws may be adopted either by the membership or 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 provision as well as the text of any existing provisions proposed to be altered, amended, or repealed. Alternatively, the notice may include a fair summary of those provisions.

## **ARTICLE 14**

### **MISCELLANEOUS PROVISIONS**

#### **Legal Authorities Governing Construction of Bylaws**

14.01 The bylaws shall be constructed in accordance with the laws of the State of Texas. All references in the bylaws to statute, regulation or other sources of legal authority shall refer to the authorities cited, or their successors, as they may be amended from time to time.

### **Legal Construction**

14.02 If any bylaw provisions are held to be invalid, illegal or unenforceable in any respect, the invalidity, illegality or unenforceability shall not affect any other provisions and the bylaws shall be construed as if the invalid, illegal, or unenforceable provision had not been included in the bylaws.

### **Headings**

14.03 The heading used in the bylaws are used for the convenience and shall not be considered in construing the terms of the bylaws.

### **Gender**

14.04 Whenever the context required, all words in the bylaws in the male gender shall be deemed to include the female or neuter gender, all singular words shall include the plural, and all plural words shall include the singular.

### **Power of Attorney**

14.05 An officer may execute any instrument related to the Corporation by means of a power of attorney if any original executed copy of the power of attorney is provided to the secretary of the Corporation to be kept with the Corporation records.

### **Parties Bound**

14.06 The bylaws shall be binding upon and inure to the benefit of the member, directors, officers, committee members, employees and agents of the Corporation and their respective heirs, executors, administrators, legal representative, successors, and assigns except as otherwise provided in the bylaws.

### **Dissolution**

14.07 In the event of dissolution of the Corporation, after paying or making provisions for payment of all the debts and other obligations of the Corporation, all assets of Corporation shall be given to a similar organization or organizations exempt under 501(c)(3) of the Internal Revenue Code of 1954, together with any amendments thereto, or to some other organization or organizations exempt from federal income tax.

**CERTIFICATE**

We certify that I am the duly elected and acting secretary and president of the Corporation and that the foregoing Amendment to Bylaws were duly adopted at a meeting of the Board of Directors held on November 12, 2021.

DATED: November 12,2021

WALLER COUNTY FAIR ASSOCIATION

By:

\_\_\_\_\_  
Sherry Roesner, Secretary

\_\_\_\_\_  
Matt Hyatt, President

Committee Members – Proposed changes – Meetings – May 27, 2020, June 3, 2020, June 10, 2020, June 25, 2020, November 9, 2020, June 22, 2021, and October 13, 2021.

Mike Steinhauser  
Harry Leach  
Peyton Coursey  
Bobby Coursey  
Mike Higgins  
Boe Burrus  
Jason Rymer  
Sherry Roesner  
Cannon Neel  
Alfredo Valenzuela