

**NOTICE OF REGULAR MEETING
OF THE GOVERNING BODY OF THE
ARANSAS PASS MUNICIPAL DEVELOPMENT DISTRICT**

NOTICE IS HEREBY GIVEN THAT A REGULAR MEETING OF THE ARANSAS PASS MUNICIPAL DEVELOPMENT DISTRICT BOARD OF DIRECTORS WILL BE HELD ON THE 16TH DAY OF MAY, 2017 AT 6:30 PM AT THE OFFICE OF THE DISTRICT, AT THE ARANSAS PASS CITY HALL LOCATED AT 600 W CLEVELAND BLVD, ARANSAS PASS, TEXAS, AT WHICH TIME THE FOLLOWING SUBJECTS WILL BE DISCUSSED, CONSIDERED, PASSED OR ADOPTED TO WITH:

1. CALL MEETING TO ORDER.
2. CONSIDER AND ACT ON APPROVAL OF MINUTES.
3. REVIEW AND DISCUSS CURRENT FINANCIAL STATEMENTS.
4. CONSIDER AND ACT ON APPROVAL OF INVOICES FOR PAYMENT.
5. CONSIDER AND ACT ON DESIGNATING SIGNATORIES FOR ALL APMMD FINANCIAL ACCOUNTS.
TEXPOOL
PROSPERITY BANK
GULF COAST FEDERAL CREDIT UNION
NAVY ARMY COMMUNITY CREDIT UNION
SECURITY SERVICE CREDIT UNION
6. CONSIDER AND ACT ON UPDATING MDD BYLAWS.

Documents:

[MN 09-16-14.PDF](#)
[MN 08-19-14.PDF](#)
[APMDD AMENDED BYLAWS 2010.PDF](#)
[APMDD AMENDED BYLAWS 2017.DOCX](#)

7. UPDATE ON CIVIC CENTER ACTIVITIES.
8. CITIZENS COMMENTS.
9. ADJOURNMENT OF MEETING.

The Board may go into closed session at any time when permitted by Chapter 551, Government Code. Before going into closed session a quorum of the Board must be assembled in the meeting room, the meeting must be convened as an open meeting pursuant to proper notice, and the presiding officer must announce that a closed session will be held and must identify the sections of Chapter 551, Government Code, authorizing the closed session.”

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CERTIFICATE

I certify that the above notice of meeting was posted at the City Hall located in the City of Aransas Pass, Texas by the 12th day of May, 2017 by 6:30 P.M.

Mary Juarez, City Secretary

Persons with disabilities planning to attend this meeting who may need auxiliary aids or services are asked to contact the Aransas Pass Municipal Development District office 48 hours before the meeting at phone number (361) 758-5301.

STATE OF TEXAS §
COUNTIES OF ARANSAS §
SAN PATRICIO AND NUECES §
CITY OF ARANSAS PASS §

On this the 16th day of September, 2014 the Aransas Pass Municipal Development District (APMDD) convened in a Regular Meeting being open to the Public at the meeting place thereof in the Aransas Pass City Hall and notice of said meeting giving the time, place, date and subject hereof having been posted and prescribed by Chapter 551 of the Texas Government Code with the following attendance to wit constituting a quorum.

PRESENT: KAREN GAYLE Vice President
TERRY STANSBERRY Treasurer
EDELMIRO GARCIA Director
JIM COVINGTON Director
ELIZABETH DORRIS Director

ABSENT: Hope Comingore (Excused), Vickie Abrego (Excused), Byron McLaughlin (Excused), Stephen Walls

CITY STAFF PRESENT: Yvonne Stonebraker City Secretary
Sarah Lee Civic Center Manager

OTHERS PRESENT:

(There may have been others present who did not sign in.)

ITEM 1. CALL MEETING TO ORDER.

Vice President Gayle called the meeting to order at 6:35 p.m. and declared there was a quorum.

ITEM 2. CONSIDER AND ACT ON APPROVAL ON AUGUST 19, 2014 MINUTES.

Treasurer Stansberry made a motion to approve the August 19, 2014 minutes. Director Garcia seconded the motion and the motion was approved.

ITEM 3. REVIEW AND DISCUSS CURRENT FINANCIAL STATEMENTS.

Treasurer Stansberry explained that the board had approved purchasing a Certificate of Deposit for \$200,000 but the check still needed to be signed. Total assets were \$625,535.40. Fund balance was \$399,726.44. Sales tax income was at 101.26% of budget with one more month left in the fiscal year. Civic Center expenditures were at 91%.

ITEM 4. CONSIDER AND ACT ON APPROVAL OF INVOICES FOR PAYMENT.

There were no invoices for payment.

ITEM 5. CONSIDER AND ACT ON UPDATING MDD BYLAWS .

Vice President Gayle said that Administrative Assistant Amanda Torres had brought the MDD bylaws up to date. Two things needed to be corrected: changing board member expiration to September 30 and meeting dates on the 3rd Tuesday of the month. Director Covington asked

about the bylaw stating that seven members were not to be members of the City Council. Vice President Gayle responded that the phrasing was awkward but inferred that the other two positions could be filled by City Council members.

Treasurer Stansberry made a motion to accept bylaws as written. Director Garcia seconded the motion and the motion passed unanimously.

ITEM 6.

REVIEW AND DISCUSS ESTABLISHING FOOD POLICY FOR THE ARANSAS PASS CIVIC CENTER.

Civic Center Manager Sarah Lee gave a copy of the Civic Center bylaws regarding Food and Alcohol Catering to the board. The bylaws were adopted shortly after VenuWorks was released from management of the Civic Center. For kitchen use, vendors must provide general liability insurance and a current copy of their health permit. They pay 10% of food and beverage. The board advised to include that information in the catering contract. Groups with more than 40 people are encouraged to hire a caterer from the preferred vendor list. Caterers are allowed full use of the kitchen and must complete a caterer checklist at the end of the event.

Private events may have more leeway in bringing their own food. She suggested limiting vendors to the type of food allowed at the Civic Center, for example no red dye or no gummy candy. She explained that typically people who bring in their own food are messier and suggested perhaps requiring a higher deposit. An electrical fee is charged to high electricity users. Director Dorris asked if adding the electrical stipulations, like taping down cords, would have to be approved through City Council.

ITEM 7.

UPDATE ON CIVIC CENTER ACTIVITIES.

Civic Center Manager Lee reviewed the event calendar with the board. She explained that she had received 18 applicants for the Civic Center's new job opening. Five of the applicants looked promising but she would be keeping the position open until the end of the month. Her assistant was out on maternity leave. There will be building maintenance invoices coming in but nothing major. Amount would be around \$4,000.

ITEM 8.

CITIZENS COMMENTS.

President Comingore said that Director Covington has been on the board since 2007 and would like suggestions from the board on how to honor him, whether solely through the board or the board and City Council. Vice President Gayle asked directors to email suggestions to President Comingore.

ITEM 9.

ADJOURNMENT OF MEETING.

Treasurer Stansberry made a motion to adjourn the meeting. Director Garcia seconded the motion and the motion was approved unanimously.

Vice President Gayle adjourned Meeting at 7:08 P.M.

Hope Comingore, President

ATTEST:

Vickie Abrego, Secretary

STATE OF TEXAS §
COUNTIES OF ARANSAS §
SAN PATRICIO AND NUECES §
CITY OF ARANSAS PASS §

On this the 19th day of August, 2014 the Aransas Pass Municipal Development District (APMDD) convened in a Regular Meeting being open to the Public at the meeting place thereof in the Aransas Pass City Hall and notice of said meeting giving the time, place, date and subject hereof having been posted and prescribed by Chapter 551 of the Texas Government Code with the following attendance to wit constituting a quorum.

PRESENT:

HOPE COMINGORE	President
KAREN GAYLE	Vice President
VICKIE ABREGO	Secretary
TERRY STANSBERRY	Treasurer
EDELMIRO GARCIA	Director
BYRON MCLAUGHLIN	Director
ELIZABETH DORRIS	Director

ABSENT: Jim Covington, Stephen Walls

CITY STAFF PRESENT:	Sylvia Carrillo	City Manager
	Yvonne Stonebraker	City Secretary
	Donna Cox	Finance Director
	Sarah Lee	Civic Center Manager

OTHERS PRESENT:

(There may have been others present who did not sign in.)

ITEM 1. CALL MEETING TO ORDER.

President Comingore called the meeting to order at 6:30 p.m. and declared there was a quorum.

ITEM 2. CONSIDER AND ACT ON APPROVAL ON JULY 15, 2014 MINUTES.

Director Dorris made a motion to approve the July 15, 2014 minutes. Vice President Gayle seconded the motion and the motion was approved. Secretary Abrego abstained from the vote because of her absence in that meeting.

ITEM 3. REVIEW AND DISCUSS CURRENT FINANCIAL STATEMENTS.

Finance Director Cox reviewed the balance sheet with the board. There is around \$474,000.00 in TexPool. Almost \$80,000 in sales tax was received for August. Total assets are \$556,976.12. The revenue account was met 92% of its budget goal with two more months to the current fiscal year remaining. Interest income was below the budgeted amount. Bond payments were paid in July.

The Civic Center met almost 90% of its budgeted revenue goal for the fiscal year. Total expenditures were 82% of its budgeted amount. The building maintenance line item was at 498% of its budgeted amount because it was supposed to be adjusted into the Fiscal Year 2012-2013

financials. However, it was not part of the adjustments made by the auditor. Putting the adjustment in that budget now will increase the deficit, which would require the board to cut another check to offset the cost. The expense could just be absorbed in the current year's budget. The board and City staff agreed to add a footnote in the line item to explain why the item appears to be over budget.

Director McLaughlin asked why the Workman's Comp line item was at 379% of its budgeted amount and the unemployment insurance line item was at 179%. Finance Director Cox explained that the unemployment rate was misidentified throughout the whole City budget. Similarly, workman's comp insurance is dependent on employee depending on rate. Therefore, help received from Public Works has a different workman's comp rate than those who regularly work at the Civic Center and results in higher than budgeted expenses. City Manager Carrillo said that there should be a separate line item to differentiate those varied rates from permanent staff. Vice President Gayle asked if city employees borrowed to help with the Civic Center could be codified with an appropriate rate relevant to the Center when working there. City Manager Carrillo said that they would look into the possibility.

Director McLaughlin also asked why the Utilities - Telephone line item was over budget. Civic Center Manager Sarah Lee explained that the Telephone and Internet were a bundle and expensed together. The Utilities - Telephone and Internet Expense line items should eventually balance out.

ITEM 4. CONSIDER AND ACT ON APPROVAL OF INVOICES FOR PAYMENT.

There were no invoices for payment.

ITEM 5. REVIEW AND DISCUSS PRELIMINARY FY 2014-15 BUDGET.

The MDD Board of Directors reviewed the following budget:

ACCOUNT	DESCRIPTION	BUDGET
Revenue		
400-410-01	Sales Tax Income	(825,000.00)
400-460-05	Interest Income	(250.00)
	Total:	(825,250.00)
Expenses		
600-610-01	Office Supplies	-
600-630-04	Advertising Services	-
600-630-05	Attorney Fees	1,000.00
600-630-08	Auditor Fees	3,000.00
600-630-15	Insurance Errors/Omission	950.00
600-630-20	Personnel Services	900.00
CIVIC CENTER	FF&F	-
600-700-61	FF&F Schedule Sept 15-2	-
600-700-68	Civic Center - Storage U	
new line item	Civic Center Maintenance	80,000.00

DFBT SERVICE	Total Expenses:	85.850.00
960-800-10	Principal - COO's 2002	
960-800-20	Interest - COO's 2002	
960-800-35	Principal - Refunding 20	165.000.00
960-800-36	Interest - Refunding 200	108.171.88
960-800-40	Agent Fees - Refunding 2	
960-800-50	Principal - Civic Center	175.000.00
960-800-51	Interest - Civic Center	114.268.00
960-800-53	Agent Fees-Civic Center	
	Total Debt Service	562.439.88
	OTHER SOURCES/USES	
960-810-40	Operating Transfer Aquat	
960-810-45	Civic Center Budget Defi	252.000.00
	Total Other:	252.000.00
	Grand Total: (surplus in pare nthesis)	75.039.88
as of 8/19/14		

Finance Director Cox explained that the auditor fees' line item should be corrected to \$3,000.00. President Comingore asked what the projected budget deficit would be for FY 2013-14. The year-to-date Revenue Over/(Under) Expenditures line item as of August 11 was (\$163,841.00). Finance Director Cox said the final amount would be dependent on the expenses for the remainder of the year. President Comingore asked how much was budgeted for. Finance Director Cox responded the budgeted deficit amount was \$209,000. President Comingore then asked why, in comparison to the current year's projected deficit, next year's projected deficit was \$252,000. City Manager Carrillo responded that it was because of the cost of the additional staffer.

Finance Director Cox also said there was a new line item in the budget for Civic Center - Maintenance that was budgeted for \$80,000. It would be accessed on an "as needed" basis, similar to how the Crime Control grants worked. The grand total would be a deficit of \$75,039.88. Treasurer Stansberry commented that if the Civic Center didn't use the Civic Center - Maintenance line item, they would be in the positive. Vice President Gayle asked if the debt service were accurate or correct numbers.

ITEM 6.

PUBLIC HEARING ON PROPOSED FISCAL YEAR 2014-2015 ARANSAS PASS MUNICIPAL DEVELOPMENT DISTRICT BUDGET.

Treasurer Stansberry opened the public hearing for the proposed fiscal year 2014-2015 Aransas Pass Municipal Development District Budget at 6:55 p.m. Secretary Abrego said that Alfredo Flores had a concern about the fees charged at the Civic Center in comparison to other area

community centers. President Comingore advised that she thought the information may be better suited for the Civic Center Activities agenda item. City Manager Carrillo commented that she thought that Civic Center Manager Sarah Lee was doing an amazing job in terms of keeping the Center well run. Staff was working on getting more rentals and easing policy. She thanked the board for working with City staff to improve the Center. Director Dorris commented that weekends were not the problem but rather weekdays being filled. That issue was the reasoning behind hiring another staffer. Treasurer Stansberry reminded commenters that the hearing was on the proposed FY 2014-15 budget. Treasurer Stansberry closed the public hearing at 6:59 p.m.

ITEM 7.

CONSIDER AND ACT ON PROPOSED ARANSAS PASS MUNICIPAL DEVELOPMENT DISTRICT 2014-2015 BUDGET.

Treasurer Stansberry made a motion to approve the proposed Aransas Pass Municipal Development District budget for Fiscal Year 2014-2015 with the deficit. Director Garcia seconded the motion and the motion carried unanimously.

ITEM 8.

CONSIDER AND ACT ON PURCHASING A CERTIFICATE OF DEPOSIT.

Finance Director Cox presented various options for certificates of deposit from Homeport Federal Credit Union, Suntide Credit Union, Gulf Coast Federal Credit Union, Navy Army, and Coastal Community and Teachers Credit Union. Treasurer Stansberry asked how much could be invested. Finance Director Cox responded that easily \$100,000 could be invested. Director McLaughlin asked how safe it would be, budget-wise, to invest a certain amount of money while being able to afford payments on the Civic Center deficit. Finance Director Cox suggested investing \$100,000 at two years and investing another \$100,000 at a shorter term. With a shorter term investment, the board could assess if interest rates were higher once the investment expires or see what sales tax revenues were amounting to.

President Comingore asked how soon money would need to come out of the account. The board talked about bond payments and the Civic Center deficit, which is paid after the audit. There would have to be enough money in the bank to cover the bond payment. Director McLaughlin suggested doing a six month CD. President Comingore asked what would happen if the bond payment came up and there was not enough in the bank to pay on it. City Manager Carrillo said they could borrow against the City or the City would wait on receiving the money for the deficit.

Treasurer Stansberry suggested that even a three month CD is better than the interest income currently being received from TexPool. He further suggested getting a 6 month CD for \$100,000 and staggering the maturity dates on the CDs. Director McLaughlin suggested getting three \$100,000 CDs at 6, 12 and 18 month maturities. Finance Director Cox commented that the account would be pulled tight and suggested getting two CDs at 6 and 12 month maturities. Director McLaughlin stated that the board could get a \$100,000 CD at a one year maturity and a \$100,000 CD at a six month maturity.

President Comingore asked if the CDs would be in the Municipal Development District name. Finance Director Cox replied yes. President Comingore asked if the money would be coming out of the TexPool account and if there would be a problem with pulling the money from that account. Finance Director Cox replied that yes it would be coming out of that account but there would not be a problem taking the money out.

Director McLaughlin asked if there would be any way to move the remaining amount after the CD money is removed into a checking account with interest or something similar. Finance Director Cox suggested moving into the Texas Class investment pool and explained the new City bond money was invested in that pool.

Director McLaughlin made a motion to purchase a \$100,000 Certificate of Deposit for six (6) months and \$100,000 Certificate of Deposit for one year from Gulf Coast Federal Credit Union. Vice President Gayle seconded the motion and the motion carried unanimously.

ITEM 9.

CONSIDER AND ACT ON APPROVING A JOB DESCRIPTION FOR A NEW POSITION AT THE ARANSAS PASS CIVIC CENTER.

City Manager Carrillo commented that a Consider and Act was not necessary but rather, staff wanted to show the board the job description. Director McLaughlin suggested adding "bilingual" to the description. President Comingore commented that she was impressed with the description. Treasurer Stansberry suggested listing the specific software skills needed.

ITEM 10.

CONSIDER AND ACT ON AMENDING THE BYLAWS OF THE ARANSAS PASS MUNICIPAL DEVELOPMENT DISTRICT CHANGING TERM EXPIRATION DATES TO SEPTEMBER 30 OF EACH YEAR AND PRESENTING THE AMENDMENT TO THE ARANSAS PASS CITY COUNCIL FOR APPROVAL.

President Comingore explained that the item was a result of learning that five out of the nine members' terms expired on July 31. Director McLaughlin made a motion to accept the change as suggested.

City Manager Carrillo asked why Section 1, Item C of the bylaws read that "Directors shall be persons who are not employees, officers of the City or members of the City Council." President Comingore replied that there was an item that should be in the bylaws saying that two of the members can be someone within those groups. City Manager Carrillo suggested clarifying the language but also commented that the language may be found in the Local Government Code. President Comingore said that possibly a wrong version of the bylaws may have printed for the board's perusal but the updated version should have the correct numbers. City Manager Carrillo stated that the Local Government Code allows for those groups. The board discussed locating the current bylaws and updating them at the next meeting.

Director McLaughlin asked why the bylaws excluded Aransas County. City Secretary Stonebraker and President Comingore explained that the MDD did not receive their sales tax and that Aransas County's sales tax was maxed out when the MDD sales tax was established. President Stansberry also commented that the new meeting date and time needed to be included in the bylaws.

Treasurer Stansberry made a motion to amending the bylaws of the Aransas Pass Municipal Development District changing term expiration dates to September 30 of each year and presenting the amendment to the Aransas Pass City Council for approval. Vice President Gayle seconded the motion and the motion passed unanimously.

ITEM 11.

CONSIDER AND ACT ON AUTHORIZING CITY STAFF TO ADVERTISE FOR BOARD APPLICATIONS.

Passed on.

ITEM 12.

UPDATE ON CIVIC CENTER ACTIVITIES.

Civic Center Manager Sarah Lee said that they were finishing a busy summer season and September was a bit slower. Only two permanent staffers are working since one of the staffers was on maternity leave. The Civic Center is booked from December to March.

City Manager Carrillo said that the City was looking at updating their accounting software so hopefully online payment would be available soon. Advertising for the new job opening will begin soon.

ITEM 13.

CITIZENS COMMENTS.

City Manager Carrillo explained that the City also did a comparative analysis comparing the Civic Center to other local facilities. She said that on a per square foot basis, the Civic Center rates are comparable. The Civic Center would need to be booked 90% of the time to break even; however, subsequent operating costs would rise with those increased bookings. Therefore, the Civic Center would never be a lucrative money maker. Typically, civic centers in general are not money makers. There is also the debt service cost but once that is paid off, renovations would be needed. Events that needed to be brought in were corporate-type events during the weekdays not weekend parties/events.

Vice President Gayle asked if anyone discussed the difference in the size of the facilities with Mr. Flores. City Manager Carrillo responded that she had a detailed conversation with him and explained, as well as the effect of policy on the facility. Director McLaughlin suggested creating a two-tier pricing structure for personal/private use and for corporate/businesses to address the complaint. Secretary Abrego added that the complaint also included allowing renters to bring their own food and alcohol, regardless of the size of the party. Director McLaughlin said that at the Moose Lodge when the facility is rented out for an event involving alcohol, an insurance fee would have to be charged. President Comingore suggested allowing outside food but not allowing renters to use the kitchen. Civic Center Manager Sarah Lee said that it was currently allowed for small parties but if the option was to be considered, that the deposit should be increased as non-caterers tend to create more wear and tear on the facility amenities. Finance Director Cox suggested discounting non-premium times at the Center. Civic Center Manager Lee and City Manager Carrillo explained that state alcohol regulations and liability considerations limited what could be allowed at the facility. City Manager Carrillo said they would draft a new food policy for the board's review.

ITEM 14.

ADJOURNMENT OF MEETING.

Director Garcia made a motion to adjourn the meeting. Director McLaughlin seconded the motion and the motion was approved unanimously.

President Comingore adjourned Meeting at 7:51 P.M.

Hope Comingore, President

ATTEST:

Vickie Abrego, Secretary

ARANSAS PASS MUNICIPAL DEVELOPMENT DISTRICT
BY-LAWS

Article I
Purpose and Powers

Section 1. REGISTERED OFFICE AND REGISTERED AGENT

The Aransas Pass Municipal Development District (the "District") shall have and continuously maintain in the City of Aransas Pass (the "City") a registered office, which registered office shall be the depository for all records of the district, and a registered agent whose office is identical with such registered office. The registered Agent for the District shall be the City Secretary of the City of Aransas Pass. The registered office of the District shall be 600 West Cleveland Boulevard, Aransas Pass, Texas 78336 whose mailing address is Post Office Box 2488, Aransas Pass, Texas 78335.

Section 2. PURPOSE

The District is a political subdivision of the State of Texas and the City for the purpose set forth in the Bylaws, the same to be accomplished on behalf of the City as its duly constituted authority and instrumentality in accordance with Chapter 377 of the Texas Local Government Code (the "Act"), other applicable laws. The District was established for the purpose of developing and financing all permissible projects prescribed by the Act, specifically including a convention center facility or related improvement such as a convention center, civic center building, civic center hotel, or auditorium, together with parking areas or facilities that are used to park vehicles and that are located at or in the vicinity of other convention center facilities.

Section 3. POWERS

In the fulfillment of its purpose, the District shall be governed by the Act, and shall have all of the powers set forth and conferred in the Act, and in other applicable laws, subject to the limitations prescribed therein and herein and to the provisions thereof and hereof.

Article II
Board of Directors

Section 1. NUMBER AND TERM OF OFFICE

- A. The property and affairs of the District shall be managed and controlled by the Board and subject to the restrictions imposed by law and these bylaws. The Board shall exercise all of the powers of the District.
- B. The Board shall consist of nine (9) Directors, each of whom shall be appointed by the City Council of the City. Each of the Directors shall be a resident of San Patricio or Nueces County, Texas and of the City of Aransas Pass.
- C. Each member of the Board shall be appointed and serve for two (2) years or until a successor is appointed as hereinafter provided. Not less than seven (7) Directors shall be persons who are not employees, officers of the City or members of the City Council.
- D. Any Director may be removed from office by the City Council at will.

Section 2. VACANCIES AND RESIGNATIONS

A vacancy in any position of Director which occurs by reason of death, resignation, disqualification, removal, or otherwise shall be filled by the City Council.

A Director may resign at any time. Such resignation shall be made in writing, addressed to the Mayor and the City Secretary, with a copy to the Board, and shall take effect at the time specified therein, or if no time is specified, at the time of its receipt by the City Secretary.

Section 3. MEETINGS OF DIRECTORS

The Board of Directors will meet on the Third Thursday of each month at 6:30 P.M. at 700 W. Wheeler Ave, Aransas Pass, Texas 78336. The President, or upon the President's incapacity, the Vice President, may call special meetings of the Board of Directors at such times as may be required.

For meetings of the Board or any of its committees, notice thereof shall be provided in accordance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code. Any member of the board or officers of the District may have an item placed on the agenda by delivering the same in writing to the Secretary no less than five (5) working days prior to the date of the Board meeting.

Section 4. QUORUM

A quorum shall consist of a majority of the Board which shall be present for the conduct of the official business of the District. The act of a majority of the Directors at a meeting at which a quorum is in attendance shall constitute an action of the Board and of the District.

Section 5. COMPENSATION OF DIRECTORS

The Directors, including the President, Vice President, Secretary, and Treasurer shall not receive any salary or compensation for their services, however, Directors may, with prior approval of the Board, be reimbursed for their actual expenses incurred in the performance of their duties hereunder, including but not limited to the cost of travel, lodging and incidental expenses reasonably related to the duties of the Board. Travel expenses incurred by Directors for both regular and special meetings are not eligible for reimbursement.

Article III Officers

Section 1. TITLES AND TERM OF OFFICE

The Board of Directors shall chose from its members a President, a Vice President, a Secretary, and a Treasurer, all of whom shall be Directors of the District. Officers shall serve for terms of one (1) year, or until their successors are elected.

Section 2. POWERS AND DUTIES OF THE PRESIDENT

The President shall be the Chief Executive Officer of the District, and shall, subject to the authority of the Board, preside at all meetings of the Board, and absent any different designation by the majority of the Board, shall sign and execute all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages and notes in the name of the District. In addition, the President shall:

- A. Call both regular and special meetings of the Board and establish the agenda for such;
- B. Have the right to vote on all matters coming before the Board;
- C. Have the authority to appoint standing or study committees to aid and assist the Board

in its business undertaking or other matters incidental to the operation and functions of the Board;

- D. Perform all duties incident to the office, and such other duties as shall be prescribed from time to time by the Board;
- E. Appear before the City Council, or be represented by a designee, periodically to give a report on the status of the activities of the District;
- F. Appear before the City Council, or be represented by a designee, regarding any item being considered by the City Council concerning the District.

Section 3. VICE-PRESIDENT

The Vice-President shall exercise the powers of the President during that officer's absence or inability to act. The Vice-President shall also perform other duties as from time to time may be assigned by the President or the Board.

Section 4. SECRETARY

The Secretary shall insure that: the minutes of the Board and its committees are recorded and retained as records of the District, all notices are posted and served as required by law, the books, records and all documents and instruments are open to public inspection upon application at the office of the District during business hours. The Secretary shall attest the signature of the President or any other officer of the District.

Section 5. TREASURER

The Treasurer shall have the responsibility to insure the proper handling, custody and security of all funds and securities of the District. The Treasurer may be required, at the expense of the District, to give such bond for the faithful discharge of the duties in such form and amount as the Board may require by resolution. The Treasurer shall assure that a monthly financial report is provided to the Board concerning activities of the District.

Section 6. CONFLICT OF INTEREST

The members of the Board of Directors shall be considered local public officials within the meaning of Chapter 171 of the Texas Local Government Code. If a Director has a substantial interest, as that term is defined in said Chapter, in a business entity or real property which is the subject or deliberation by the Board of Directors, the Director shall file an affidavit with the Secretary of the District stating the nature or extent of the interest. Such affidavit shall be filed prior to any vote or decision upon the matter of the Board of Directors, and if required by said Chapter, the interested Director shall abstain from any vote or decision upon the matter.

Section 7. IMPLIED DUTIES

The District is authorized to take such actions as it may deem reasonable or necessary to accomplish any of the purposes or duties set out in these Bylaws in accordance with the Act and any other applicable law.

Article IV Functional Duties and Responsibilities General Economic Development Plan

The District may research, develop and prepare any Economic Development Plan for the City, which shall include proposed methods and the expected costs of implementation. The plan shall include both short-

term and long-term goals for the economic development of the City, proposed methods for elimination of unemployment and under-employment, and the promotion of employment, through the expansion and development of a sound, retail, industrial and manufacturing base for and within the City. The District shall review and update the Plan each year prior to submission of the annual budget required by the other provisions of these Bylaws.

Section 1. ANNUAL BUDGET

On or before August 1st of each year the Treasurer shall prepare and present a proposed budget of expected revenues and proposed expenditure for the next ensuing fiscal year to the Board. The fiscal year of the District shall commence on October 1st of each year and end on September 30th.

Section 2. FINANCIAL BOOKS, RECORDS, AUDITS

The Treasurer shall keep and properly maintain, in accordance with generally accepted accounting principles, complete financial books, records, accounts and financial statements pertaining to its funds, activities and affairs.

The District's financial books, records, accounts, and financial statements shall be audited at least once each fiscal year by an outside, independent auditing and accounting firm selected by the District. Such audit shall be at the expense of the District.

**Article V
Miscellaneous Provisions**

Section 1. INDEMNIFICATION OF DIRECTORS, OFFICERS AND EMPLOYEES

As provided in the Act, the District is for the purpose of the Texas Tort Claims Act (Subchapter A, Chapter 101, Texas Civil Practices and Remedies Code), a governmental unit, and its actions are governmental functions. The District shall indemnify each and every member of the Board, its officers and its employees, and each member of the City Council and each employee of the City, to the fullest extent permitted by law against any and all liability or expense, including attorney fees, incurred by any of such person by reason of any actions or omissions that may arise out of the functions and activities of the District. The indemnity shall apply even if one or more of those to be indemnified was negligent or caused or contributed to cause any loss, claim action or suit. Specifically, it is the intent of these Bylaws and the District to require the District to indemnify those named for indemnification, even for the consequences of the negligence of those indemnified which caused or contributed to cause any liability.

The District shall purchase and maintain insurance on behalf of any Director, Officer, Employee or agent of the District, or on behalf of any person serving at the request of the District as a Board member, officer, employee or agent of another District, partnership, joint venture, trust or other enterprise, against any liability asserted against that person and incurred by that person in any such capacity or arising out of any such status with regard to the District, whether or not the District has power to indemnify that person against liability for any of those acts.

Section 2. GIFTS

The Board may accept on behalf of the District any contribution, gift, bequest or device for the general purposes of the District.

Section 3. AMENDMENTS TO BYLAWS

The By-Laws may be amended or repealed by a majority of the Directors.

Section 4. EFFECTIVE DATE

These Bylaws and any subsequent amendments hereto, shall be effective as of and from the date on which approval has been given by the Board of Directors of the Aransas Pass Municipal Development District.

CERTIFICATION OF SECRETARY

I certify that I am the duly elected and acting Secretary of the Aransas Pass Municipal Development District, and the foregoing Amendments to the Bylaws were duly adopted at a meeting of the Board of Directors held on November 18, 2010 and do constitute the Bylaws of the District.

Signed this _____ day of _____, 2010

Secretary of the District _____

ARANSAS PASS MUNICIPAL DEVELOPMENT DISTRICT
BY-LAWS

Article I
Purpose and Powers

Section 1. REGISTERED OFFICE AND REGISTERED AGENT

The Aransas Pass Municipal Development District (the "District") shall have and continuously maintain in the City of Aransas Pass (the "City") a registered office, which registered office shall be the depository for all records of the district, and a registered agent whose office is identical with such registered office. The registered Agent for the District shall be the City Secretary of the City of Aransas Pass. The registered office of the District shall be 600 West Cleveland Boulevard, Aransas Pass, Texas 78336 whose mailing address is Post Office Box 2488, Aransas Pass, Texas 78335.

Section 2. PURPOSE

The District is a political subdivision of the State of Texas and the City for the purpose set forth in the Bylaws, the same to be accomplished on behalf of the City as its duly constituted authority and instrumentality in accordance with Chapter 377 of the Texas Local Government Code (the "Act"), other applicable laws. The District was established for the purpose of developing and financing all permissible projects prescribed by the Act, specifically including a convention center facility or related improvement such as a convention center, civic center building, civic center hotel, or auditorium, together with parking areas or facilities that are used to park vehicles and that are located at or in the vicinity of other convention center facilities.

Section 3. POWERS

In the fulfillment of its purpose, the District shall be governed by the Act, and shall have all of the powers set forth and conferred in the Act, and in other applicable laws, subject to the limitations prescribed therein and herein and to the provisions thereof and hereof.

Article II
Board of Directors

Section 1. NUMBER AND TERM OF OFFICE

- A. The property and affairs of the District shall be managed and controlled by the Board and subject to the restrictions imposed by law and these bylaws. The Board shall exercise all of the powers of the District.
- B. The Board shall consist of nine (9) Directors, each of whom shall be appointed by the City Council of the City. Each of the Directors shall be a resident of San Patricio or Nueces County, Texas and of the City of Aransas Pass.
- C. Each member of the Board shall be appointed and serve for two (2) years or until a successor is appointed as hereinafter provided. Not less than seven (7) Directors shall be persons who are not employees, officers of the City or members of the City Council. Terms will expire on September 30 of the director's second year in office.

D. Any Director may be removed from office by the City Council at will.

Section 2. VACANCIES AND RESIGNATIONS

A vacancy in any position of Director which occurs by reason of death, resignation, disqualification, removal, or otherwise shall be filled by the City Council.

A Director may resign at any time. Such resignation shall be made in writing, addressed to the Mayor and the City Secretary, with a copy to the Board, and shall take effect at the time specified therein, or if no time is specified, at the time of its receipt by the City Secretary.

Section 3. MEETINGS OF DIRECTORS

The Board of Directors will meet on the Third Tuesday of each month at 6:30 P.M. at 700 W. Wheeler Ave, Aransas Pass, Texas 78336. The President, or upon the President's incapacity, the Vice President, may call special meetings of the Board of Directors at such times as may be required.

For meetings of the Board or any of its committees, notice thereof shall be provided in accordance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code. Any member of the board or officers of the District may have an item placed on the agenda by delivering the same in writing to the Secretary no less than five (5) working days prior to the date of the Board meeting.

Section 4. QUORUM

A quorum shall consist of a majority of the Board which shall be present for the conduct of the official business of the District. The act of a majority of the Directors at a meeting at which a quorum is in attendance shall constitute an action of the Board and of the District.

Section 5. COMPENSATION OF DIRECTORS

The Directors, including the President, Vice President, Secretary, and Treasurer shall not receive any salary or compensation for their services, however, Directors may, with prior approval of the Board, be reimbursed for their actual expenses incurred in the performance of their duties hereunder, including but not limited to the cost of travel, lodging and incidental expenses reasonably related to the duties of the Board. Travel expenses incurred by Directors for both regular and special meetings are not eligible for reimbursement.

Article III Officers

Section 1. TITLES AND TERM OF OFFICE

The Board of Directors shall chose from its members a President, a Vice President, a Secretary, and a Treasurer, all of whom shall be Directors of the District. Officers shall serve for terms of one (1) year, or until their successors are elected.

Section 2. POWERS AND DUTIES OF THE PRESIDENT

The President shall be the Chief Executive Officer of the District, and shall, subject to the authority of the Board, preside at all meetings of the Board, and absent any different designation by the majority of the Board, shall sign and execute all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages and notes in the name of the District. In addition, the President shall:

- A. Call both regular and special meetings of the Board and establish the agenda for such;
- B. Have the right to vote on all matters coming before the Board;

- C. Have the authority to appoint standing or study committees to aid and assist the Board in its business undertaking or other matters incidental to the operation and functions of the Board;
- D. Perform all duties incident to the office, and such other duties as shall be prescribed from time to time by the Board;
- E. Appear before the City Council, or be represented by a designee, periodically to give a report on the status of the activities of the District;
- F. Appear before the City Council, or be represented by a designee, regarding any item being considered by the City Council concerning the District.

Section 3. VICE-PRESIDENT

The Vice-President shall exercise the powers of the President during that officer's absence or inability to act. The Vice-President shall also perform other duties as from time to time may be assigned by the President or the Board.

Section 4. SECRETARY

The Secretary shall insure that: the minutes of the Board and its committees are recorded and retained as records of the District, all notices are posted and served as required by law, the books, records and all documents and instruments are open to public inspection upon application at the office of the District during business hours. The Secretary shall attest the signature of the President or any other officer of the District.

Section 5. TREASURER

The Treasurer shall have the responsibility to insure the proper handling, custody and security of all funds and securities of the District. The Treasurer may be required, at the expense of the District, to give such bond for the faithful discharge of the duties in such form and amount as the Board may require by resolution. The Treasurer shall assure that a monthly financial report is provided to the Board concerning activities of the District.

Section 6. CONFLICT OF INTEREST

The members of the Board of Directors shall be considered local public officials within the meaning of Chapter 171 of the Texas Local Government Code. If a Director has a substantial interest, as that term is defined in said Chapter, in a business entity or real property which is the subject or deliberation by the Board of Directors, the Director shall file an affidavit with the Secretary of the District stating the nature or extent of the interest. Such affidavit shall be filed prior to any vote or decision upon the matter of the Board of Directors, and if required by said Chapter, the interested Director shall abstain from any vote or decision upon the matter.

Section 7. IMPLIED DUTIES

The District is authorized to take such actions as it may deem reasonable or necessary to accomplish any of the purposes or duties set out in these Bylaws in accordance with the Act and any other applicable law.

Article IV
Functional Duties and Responsibilities
General Economic Development Plan

The District may research, develop and prepare any Economic Development Plan for the City, which shall include proposed methods and the expected costs of implementation. The plan shall include both short-term and long-term goals for the economic development of the City, proposed methods for elimination of unemployment and under-employment, and the promotion of employment, through the expansion and development of a sound, retail, industrial and manufacturing base for and within the City. The District shall review and update the Plan each year prior to submission of the annual budget required by the other provisions of these Bylaws.

Section 1. ANNUAL BUDGET

On or before August 1st of each year the Treasurer shall prepare and present a proposed budget of expected revenues and proposed expenditure for the next ensuing fiscal year to the Board. The fiscal year of the District shall commence on October 1st of each year and end on September 30th.

Section 2. FINANCIAL BOOKS, RECORDS, AUDITS

The Treasurer shall keep and properly maintain, in accordance with generally accepted accounting principles, complete financial books, records, accounts and financial statements pertaining to its funds, activities and affairs.

The District's financial books, records, accounts, and financial statements shall be audited at least once each fiscal year by an outside, independent auditing and accounting firm selected by the District. Such audit shall be at the expense of the District.

**Article V
Miscellaneous Provisions**

Section 1. INDEMNIFICATION OF DIRECTORS, OFFICERS AND EMPLOYEES

As provided in the Act, the District is for the purpose of the Texas Tort Claims Act (Subchapter A, Chapter 101, Texas Civil Practices and Remedies Code), a governmental unit, and its actions are governmental functions. The District shall indemnify each and every member of the Board, its officers and its employees, and each member of the City Council and each employee of the City, to the fullest extent permitted by law against any and all liability or expense, including attorney fees, incurred by any of such person by reason of any actions or omissions that may arise out of the functions and activities of the District. The indemnity shall apply even if one or more of those to be indemnified was negligent or caused or contributed to cause any loss, claim action or suit. Specifically, it is the intent of these Bylaws and the District to require the District to indemnify those named for indemnification, even for the consequences of the negligence of those indemnified which caused or contributed to cause any liability.

The District shall purchase and maintain insurance on behalf of any Director, Officer, Employee or agent of the District, or on behalf of any person serving at the request of the District as a Board member, officer, employee or agent of another District, partnership, joint venture, trust or other enterprise, against any liability asserted against that person and incurred by that person in any such capacity or arising out of any such status with regard to the District, whether or not the District has power to indemnify that person against liability for any of those acts.

Section 2. GIFTS

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Section 4. EFFECTIVE DATE

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Signed this _____ day of _____, 2017

Secretary of the District _____