

**TEXAS EDUCATIONAL EMPLOYERS BENEFIT COOPERATIVE**  
**BYLAWS**

**ARTICLE I**  
**NAME**

The name of this entity shall be the Texas Educational Employers Benefit Cooperative (the “Cooperative”).

**ARTICLE II**  
**ORGANIZATIONAL AUTHORITY**

The Cooperative is an administrative agency formed by its Members under the authority contained in the Interlocal Cooperation Act, Texas Government Code Section 791.001 *et seq.*

**ARTICLE III**  
**PURPOSE**

The purpose of the Cooperative is to increase the bargaining power of its Members and achieve economies of scale for the Members acting together in the purchase of employee benefit products, including life, vision, accident, disability, and other insurance coverage, for Members’ employees and their dependents.

**ARTICLE IV**  
**OFFICES**

4.1 Principal Office. The principal office of the Cooperative shall be located in the State of Texas.

4.2 Additional Offices. The Corporation may also have offices at such other places both within and without the State of Texas as the Board of Directors may from time to time determine or the business of the Corporation may require.

**ARTICLE V**  
**MEMBERSHIP**

5.1 Application for membership shall be open to any governmental entity that is expressly authorized to enter into the Cooperative’s Interlocal agreement and that supports the statement of purpose in Article III.

5.2 Each Member shall warrant, as a condition of membership, that all payments, contributions, fees, and disbursements it makes as a Member of the Cooperative shall be made from current local revenues budgeted and available to the Member.

5.3 The Cooperative shall contract with an administrator (the “Administrator”) to manage the business of the Cooperative. The Board of Directors shall also contract with or designate a tax-exempt organization, an administrative agency, including the Cooperative itself, or a Member school district to supervise the interlocal contract.

5.4 Application for membership shall be made in writing on such form or forms as prescribed by the Cooperative.

5.5 Membership shall be granted upon a majority vote of the Board of Directors. However, the Cooperative may delegate decisions on applications to the Administrator.

5.6 Each Member shall appoint a Cooperative Coordinator who shall have express authority to represent and bind the Member. Any notice to or any agreements with the Cooperative Coordinator shall be binding upon the Member. Each Member reserves the right to change its Cooperative Coordinator as needed by giving written notice to the Administrator. Such notice is not effective until actually received by the Administrator.

5.7 Each Member organization shall appoint a person as its voting representative. A voting representative may be, but is not required to be, a Member’s Cooperative Coordinator.

5.8 Membership shall run on an annual basis, effective from the date a Member’s membership begins. Membership shall be automatically renewed annually for an additional one (1) year term without the necessity of action by either the Cooperative or the Member.

5.9 The Administrator shall, at the end of each calendar year, report to the Cooperative on the amount and status of all business done with the Cooperative’s Members; any problems or complaints regarding the Interlocal Agreement or any Members of the Cooperative; and on any other matter required by the Board.

## **ARTICLE VI TERMINATION**

6.1 A Member may terminate its participation in the Cooperative by giving 30 days’ written notice to the Administrator.

6.2 If a Member fails or declines to secure employee benefits from any of the providers made available by the Cooperative for a period of twenty-four (24) months, the Member will be deemed to have terminated its participation in the Cooperative. A former Member is free to re-apply for membership.

6.3 The Cooperative will be deemed to be terminated in its entirety if fewer than two

(2) Members remain to participate.

6.4 Each Member agrees that upon termination of the Cooperative, or upon the Member's ceasing to be a member of the Cooperative for any reason, the Member shall continue to fulfill and be bound by its obligations entered into with the providers of any and all employee benefits, including any policies of insurance, facilitated through the Cooperative.

## **ARTICLE VII MEETINGS**

7.1 Meetings of the Cooperative shall be held in Texas on a regularly scheduled basis, at least annually, as determined by the Board of Directors.

7.2 Regular meetings will be scheduled by vote of the Board of Directors.

7.3 Special meetings of the Cooperative may be called by the President when it is deemed necessary and in the best interests of the organization; by the Board of Directors, by majority vote; or by Members having at least one tenth of the votes entitled to be cast at the meeting.

7.4 Notice of a special meeting must be given in writing at least ten (10) days before the meeting date. No other business but that specified in the notice may be transacted at such special meeting without the unanimous consent of all present at such meeting.

## **ARTICLE VIII VOTING**

8.1 Voting. Each Member in good standing shall be entitled to one (1) vote on each question or election. Votes may be cast by ballot, written proxy, voice vote, show of hands and/or other methods approved by the Board of Directors.

8.2 Quorum. The presence of a majority of members, either by personal representative or through written proxy, shall constitute a quorum at all member meetings. If, however, a quorum shall not be present or represented at any meeting of Members, the Members present in person shall have the authority to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjournment at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified.

**ARTICLE IX  
DUES AND CHARGES**

9.1 There shall be no membership dues or fees associated with membership in the Cooperative except as established from time to time by majority vote of the Board of Directors. Membership dues, if any, may be assessed on an annual basis.

9.2 Dues shall be considered delinquent if not received by the Cooperative within thirty (30) days from the beginning of the Cooperative's fiscal year.

**ARTICLE X  
DIRECTORS**

10.1 Board of Directors. Management of the Cooperative shall be vested in a Board of Directors. All Directors shall be employees of a Texas school district or education service center, though such school district or education service center need not be a member of the Cooperative.

10.2 Number and Terms of Directors. The Board of Directors shall consist of a minimum of three (3) directors. The terms of the initial Board of Directors shall be staggered, with the initial terms to run for either two or three years, so as to establish a system whereby not all the directors need to be elected in any given year. In no event shall any director's term be longer than three (3) years, and no director shall serve more than a total of three (3) consecutive terms.

10.3 Quorum: A majority of the directors shall constitute a quorum for the transaction of business, and the act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. If a quorum shall not be present at any meeting of the Board of Directors, the directors that are present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

10.4 Action Without Meeting: Any action required or permitted to be taken at any meeting of the Board of Directors or any committee thereof may be taken without a meeting if a written consent thereto is signed by all members of the Board or of such committee. Such written consent shall be filed with the minutes of the proceedings of the Board or the committee.

10.5 Telephone Meetings: Subject to the provisions required or permitted by law for Notice of Meetings, the members of the Board of Directors, or the members of any committee designated by the Board of Directors, may participate in and hold a meeting of such Board of Directors or committee by means of a conference by telephone or other similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this section shall constitute presence in person at such meeting, except where a person participates in such meeting for the express purpose of objecting

to the transaction of any business on the grounds that the meeting is not lawfully called or convened.

10.6 Vacancies. The Board of Directors shall fill any vacancy occurring prior to expiration of the term of any Director.

10.7 Elections. Board elections will be held in June, with all positions taking effect the first of July.

10.8 Indemnification. The Cooperative shall indemnify its Directors, Officers, employees and agents to the extent of and as provided under the Texas Business Organizations Code. Where such indemnification is not required but is permitted under Texas law, the Cooperative in its sole discretion may, by act of its Board of Directors or Members, provide for indemnification in accordance with such law. The Cooperative may obtain and maintain insurance on behalf of any person who holds or who has held any position named herein against any liability incurred by the person in any such position, or arising out of his or her status as such, whether or not the Cooperative would have the power under Texas law to indemnify the person against such liability.

## **ARTICLE XI OFFICERS**

10.1 The Board of Directors shall annually appoint the officers of the Cooperative, as listed below. All officers shall serve one-year terms, but are eligible for re-appointment, with a maximum of five consecutive terms in any specific position.

10.2 President. The President shall serve as chief executive officer of the Cooperative, and act as authorized representative of the Cooperative in all matters pertaining to the execution of interlocal participation and other contracts.

10.3 Vice President. In the absence of the President, the Vice-President shall perform all duties of the President and other duties as requested by the President.

10.4 Secretary. The Secretary shall record the minutes of all Board meetings; be responsible to maintenance of a roster of the membership, including a list of all Members' voting representatives and Cooperative Coordinators. The Secretary shall also be responsible for maintaining the historical records of the Cooperative.

10.5 Treasurer. The Treasure shall supervise the maintenance of the financial records and audit of the Cooperative and report to the Board and its Members on the financial condition of the Cooperative.

**ARTICLE XII  
AMENDMENT OF BYLAWS**

The Bylaws may be amended or revised by a majority vote of the directors at any regular meeting of the Cooperative or at a special meeting called for that purpose.

**ARTICLE XIII  
COMMITTEES**

The Board may create committees. The Board President appoints all committee chairs. Committee chairs must be members of the Board.

**ARTICLE XIV  
MISCELLANEOUS PROVISIONS**

14.1 Mediation Required. Before any Member files suit against the Administrator, the Cooperative, or any other Member of the Cooperative, or any employee or representative of such entities, the Member agrees that it will first mediate its dispute with a certified mediator in Harris County, Texas.

14.2 Construction. Whenever the context so requires, the masculine shall include the feminine and neuter, the singular shall include the plural and conversely. If any portions of these Bylaws shall be held invalid or inoperative, then so far as is reasonable and possible (i) the remainder of the Bylaws shall be construed valid and operative and (ii) effect shall be given the intent manifested by the portion held invalid and inoperative.

14.3 Table of Contents; Headings. The Table of Contents and headings used in these Bylaws have been inserted for administrative convenience only and do not constitute matters to be construed in interpretation.