

**BYLAWS
OF
THE TEXAS CACFP SPONSORS ASSOCIATION**

These BYLAWS (the “*Bylaws*”) dated as of October 15, 2008 are hereby (i) duly adopted as the bylaws of **The Texas CACFP Sponsors Association**, a Texas nonprofit company (the “*Company*”), by the Managers and (ii) ratified, confirmed, and approved as such by the Members who agree to be bound hereby.

The Certificate of Formation of the Company, dated as of January 31, 2008 (the “*Articles*”), were filed in the Office of the Secretary of State of the State of Texas to be effective March 15, 2008, and the Secretary of State of the State of Texas issued a Certificate of Organization on the same date.

ARTICLE I - OFFICES

1. REGISTERED OFFICE AND AGENT

The registered office and registered agent of the Corporation shall be as set forth in the Corporation's Certificate of Formation. The registered office or the registered agent may be changed by resolution of the Executive Board, upon making the appropriate filing with the Secretary of State.

2. PRINCIPAL OFFICE

The principal office of the Corporation shall be at 2306 Guthrie Road #260-H, Garland, Texas 75043, provided that the Executive Board shall have the power to change the location of the principal office.

3. OTHER OFFICES

The Corporation may also have other offices at such places, within or without the State of Texas, as the Executive Board may designate, or as the business of the Corporation may require or as may be desirable.

ARTICLE II - MEMBERS

1. MEMBERS

Membership is open to any organization that has a current contract to serve as a day home sponsor or child care center sponsor in the Child and Adult Care Food Program. Organizations may apply to join with the payment of dues for the current dues period, and completed application form. New organizations may apply for membership at any time during the membership year.

Provisional (non-voting) membership is available to any sponsoring organization pending the issuance of a Sponsor contract. Provisional membership dues are non-refundable. Current membership entitles the organization to one vote in any instance that requires a vote by members.

2. MEMBERSHIP DUES

Individuals are required to pay a membership fee of \$100.00. The period covered by dues payment is April 1 through March 31. Dues are payable April 1st of each year or upon joining the organization. **Dues must be received by the treasurer no later than the final deadline of May 31st. Sponsors who have not paid dues by May 31st will not be considered members in good standing for the remainder of the current membership year . Sponsors who are no longer members will not be eligible to receive association benefits including but not limited to a) use of the association's appeal board; b) special claims processing rates for the use of Minute Menu; c) use of the association's website; and any and all other benefits. In addition, the loss of membership status will be reported to Texas Dept. of Agriculture, Minute Menu and the Board of Appeals Chairperson.**

3. TERMINATION OF MEMBERSHIP

The Executive Board may suspend or expel a member or members for cause or for failure to pay dues.

4. RESIGNATION

Any member may resign by filing a written resignation with the Secretary.

5. REINSTATEMENT

Upon written request signed by a former member and filed with the Secretary, a member may be reinstated by paying the required dues.

6. TRANSFER OF MEMBERSHIP

Membership in this Corporation is not transferable or assignable.

7. PLACE OF MEETING

The Executive Board 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. If no designation is made or if a special meeting be otherwise called, the place of meeting shall be the registered office of the Corporation in the State of Texas but if all of the members shall meet at any time and place, either within or without the State of Texas, and consent to the holding of a meeting, such meeting shall be valid without call or notice, and at such meeting any corporate action may be

taken.

8. ANNUAL MEETING

There shall be an annual meeting during the month of February. Election of officers, a report on the accomplishments of the previous year, and the adoption of a budget for the following year will be accomplished during that meeting.

9. NOTICE OF MEMBERS' MEETING

Written or printed notice stating the place, day, and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than sixty (60) days before the date of the meeting, either personally, by facsimile transmission, or by mail, by or at the direction of the President, or the Secretary, or the officers or persons calling the meeting, to each member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at his address as it appears on the records of the Corporation, with postage thereon paid. If transmitted by facsimile, notice is deemed to be delivered on successful transmission of the facsimile.

10. SPECIAL MEMBERS' MEETINGS

Special meetings of the members may be called by the President. The only business within the purpose or purposes described in the notice or executed waiver of notice may be conducted at a special meeting of the members.

11. VOTING OF MEMBERS

Each member shall be entitled to one (1) vote on each matter submitted to a vote of the members, except to the extent that the voting rights of members of any class or classes are limited, enlarged, or denied by the Certificate of Formation or these Bylaws.

A member may vote in person or, unless the Certificate of Formation or these Bylaws otherwise provide, may vote by proxy executed in writing by the member or by his duly authorized attorney-in-fact.

12. QUORUM OF MEMBERS

Unless otherwise provided in the Certificate of Formation or in these Bylaws, a quorum at a general or special meeting will be one third of the members in good standing represented in person or by proxy, shall constitute a quorum. Unless otherwise provided in the Certificate of Formation or these

Bylaws, once a quorum is present at a meeting of members, the members represented in person or by proxy at the meeting may conduct such business as may be properly brought before the meeting until it is adjourned, and the subsequent withdrawal from the meeting of any member or the refusal of any member represented in person or by proxy to vote shall not affect the presence of a quorum at the meeting.

13. FIXING RECORD DATES FOR DETERMINING MEMBERS ENTITLED TO VOTE AND NOTICE

The record date for determining the members entitled to notice of a members' meeting and for determining the members entitled to vote at a members' meeting shall be the close of business on the business day preceding the date on which notice is given, or if notice is waived, at the close of business on the business day preceding the date of the meeting.

ARTICLE III – EXECUTIVE BOARD

1. EXECUTIVE BOARD

The Executive Board shall consist of elected officers and appointed committee heads. The Executive Board shall handle the regular business of the Association. Board meeting dates and times will be set by the President. As a practical matter (distance, time and expense), meetings may be conducted by phone and correspondence. Any matter requiring a vote must have documentation supporting the vote. All Board members must be kept fully informed of item of business. A quorum of executive board consists of at least 3 members or a majority of the filled positions.

2. REMOVAL

A board member may be removed from office, with or without cause. If the director was elected to office, removal requires an affirmative vote equal to the vote necessary to elect the board member.

3. RESIGNATION

A board member may resign by providing written notice of such resignation. The resignation shall be effective upon the date of receipt of the notice of resignation or the date specified in such notice. Acceptance of the resignation shall not be required to make the resignation effective.

4. VACANCIES AND INCREASE IN NUMBER OF DIRECTORS

Any vacancy occurring on the Executive Board shall be filled by the affirmative vote of a majority of the remaining board members. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Any directorship to be filled by reason of an increase in the number of directors shall be filled by election at an annual meeting or at a special meeting of members called for that purpose.

5. APPEALS COMMITTEES

Committees may be established by the President with the advice and consent of the executive. Board. Standing Committee Chairpersons will be members of the Executive Board. There shall be an Appeals Committee consisting of an elected chairperson and available members appointed by the Chairperson. This committee will follow the appeals procedure of the Texas CACFP Sponsor's Association as approved by TDA. The Appeals Committee will be available to all sponsors who are paid members of the Texas CACFP Sponsor's Association and have a current status of member-in-good-standing.

All costs billed to sponsors for services rendered by the Appeals Committee shall be paid in full within 30 days of receipt of bill. Non-payment of outstanding Appeal bills shall result in suspension of "member in good standing" status, suspension of voting rights and disqualification from future participation in the Association's Appeals process. This information will be forwarded to the Texas Department of Agriculture.

6. REGULAR MEETING OF OFFICERS

Regular meetings of the Executive Board may be held with or without notice at such time and place as may be from time to time determined by the Executive Board.

7. SPECIAL MEETINGS OF OFFICERS

The Secretary shall call a special meeting of the Executive Board whenever requested to do so by the President or by three (3) or more directors. Such special meeting shall be held at the date and time specified in the notice of meeting.

9. PLACE OF OFFICERS' MEETINGS

All meetings of the Executive Board shall be held either at the principal office of the Corporation or at such other place, either within or without the State of Texas, as shall be specified in the notice of meeting or executed waiver of notice.

10. NOTICE OF OFFICERS' MEETINGS

Notice of any special meeting of the Executive Board shall be given at least two days previously thereto by written notice delivered personally or sent by mail, fax, or e-mail to each Officer at his address as shown by the records of the Corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, the postage thereon prepaid. Any Officer may waive notice of any meeting. The attendance of an Officer at any meeting shall constitute a waiver of notice of such meeting, except where an officer attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transaction at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these by-laws.

11. COMPENSATION

Officers, as such, shall not receive any stated salary for their services, but by resolution of the Executive Board, subject to the approval of the membership, a fixed sum and/or expenses of attendance, if any, may be allowed for attendance at any meeting of the Executive Board. A director shall not be precluded from serving the Corporation in any other capacity and receiving compensation for such services. Member of committees may be allowed similar compensation and reimbursement of expenses for attending committee meetings.

ARTICLE IV – OFFICERS

1. NUMBER OF OFFICERS

The officers of a Corporation shall consist of a president, 1st vice-president, 2nd vice president, secretary, treasurer, parliamentarian, and board of appeals chairperson. Any two or more offices may be held by the same person, except the offices of president and secretary.

2. ELECTION OF OFFICERS AND TERM OF OFFICE

A nominating committee consisting of a chairperson and two members shall be appointed by the President at a general meeting prior to the meeting in which the election is held.

Elections will take place during the February general meeting. Voting for officers will be by secret ballot.

3. REMOVAL OF OFFICERS, VACANCIES

Any officer elected or appointed may be removed by the Executive Board whenever in their judgment the best interests of the Corporation will be served thereby. The removal of an officer shall be without prejudice to the contract rights, if any, of the officer so removed. Election or appointment of an officer or agent shall not of itself create contract rights. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

4. POWERS OF OFFICERS

Each officer shall have, subject to these Bylaws, in addition to the duties and powers specifically set forth herein, such powers and duties as are commonly incident to that office and such duties and powers as the Executive Board shall from time to time designate. All officers shall perform their duties subject to the directions and under the supervision of the Executive Board. The President may secure the fidelity of any and all officers by bond or otherwise.

5. PRESIDENT

The president shall preside at membership and Board meetings. The president shall implement an agenda of activities required to achieve the purposes of the Association. The president shall oversee the formation of a proposed agenda and budget for the forthcoming year. The president shall review the effectiveness of these bylaws and submit desired amendments at a meeting of the membership.

6. VICE-PRESIDENTS

The vice-president shall take over the duties of the President if the President is not present. The vice-president shall perform duties as assigned by the President. The position of 1st Vice President will be filled by the immediate past president, or if the past president is unable to serve, then elected from membership at large.

7. THE SECRETARY AND ASSISTANT SECRETARIES

The secretary shall implement general correspondence, mail out notices of membership and board meetings, and keep Association records. The secretary shall record and report the minutes of membership and board meetings.

8. THE TREASURER AND ASSISTANT TREASURERS

The treasurer shall collect dues and maintain a checking account in the name of the Association. The treasurer shall maintain an account of all expenditures. The treasurer shall provide a list of

current paid members at each meeting.

9. PARLIAMENTARIAN

The Parliamentarian shall be responsible for assuring all meetings are conducted according to proper parliamentary procedures. The parliamentarian shall maintain the bylaws and distribute at the annual meeting.

ARTICLE V - CERTIFICATES OF MEMBERSHIP

1. CERTIFICATES OF MEMBERSHIP

The Executive Board may provide for the issuance of certificates, or cards, or other instruments evidencing membership rights, voting rights or ownership rights (hereinafter referred to as "certificates"), which shall be in such form as may be determined by the Board. The name and address of each member and the date of issuance of the certificate shall be entered on the records of the Corporation. If any certificate shall become lost, mutilated or destroyed, a new certificate may be issued therefore upon such terms and conditions as the Executive Board determine.

2. ISSUANCE OF CERTIFICATES

When an applicant or member has been accepted for membership and has paid dues a certificate shall be issued in the name of the organization.

ARTICLE VI - INDEMNIFICATION AND INSURANCE

1. INDEMNIFICATION

The Corporation shall have the full power to indemnify and advance expenses pursuant to the provisions of the Texas Non-Profit to any person entitled to indemnification under the provisions of the Texas Non-Profit Corporation Act.

2. INSURANCE

The Corporation may purchase and maintain insurance or another arrangement on behalf of any person who is or was a member, director, officer, employee, or agent of the Corporation or who is or was serving at the request of the Corporation as a director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic corporation, employee benefit plan, other enterprise, or other entity, against any liability asserted against him or her and incurred by him or her in such a capacity or arising out of his or her status as such a person, whether or not the Corporation would have the power to indemnify him or her against that liability.

ARTICLE VII - MISCELLANEOUS

1. WAIVER OF NOTICE

Whenever any notice is required to be given to any member or director of the Corporation under the provisions of the Texas Non-Profit Corporation Act or under the provisions of the Certificate of Formation or these Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

2. MEETINGS BY TELEPHONE CONFERENCE OR OTHER REMOTE COMMUNICATIONS TECHNOLOGY

Subject to the provisions required or permitted by the Texas Non-Profit Corporation Act and these Bylaws for notice of meetings, members of the Corporation, members of the Executive Board, or members of any committee may participate in and hold a meeting of such members, board, or committee by means of: (1) conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other; or (2) another suitable electronic communications system, including videoconferencing technology or the Internet, only if: (a) each member entitled to participate in the meeting consents to the meeting being held by means of that system; and (b) the system provides access to the meeting in a manner or using a method by which each member participating in the meeting can communicate concurrently with each other participant. Participation in a meeting pursuant to this section shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

3. SEAL

The Corporation may adopt a corporate seal in such form as the Executive Board may determine. The Corporation shall not be required to use the corporate seal and the lack of the corporate seal shall not affect an otherwise valid contract or other instrument executed by the Corporation.

4. CONTRACTS

The Executive Board may authorize any officer or officers, agent or agents of the Corporation, in addition to the officers so authorized by these by-laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

5. CHECKS, DRAFTS, ETC.

All checks, drafts or other instruments for payment of money or notes of the Corporation shall be signed by such officer or officers or such other person or persons as shall be determined from time to time by resolution of the Executive Board.

6. DEPOSITS

All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Executive Board may select.

7. GIFTS

The Executive Board 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.

8. BOOKS AND RECORDS

The Corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of the members, Executive Board, and committees and shall keep at the registered office or principal office in this State a record of the names and addresses of its members entitled to vote. A member of the Corporation, on written demand stating the purpose of the demand, has the right to examine and copy, in person or by agent, accountant, or attorney, at any reasonable time, for any proper purpose, the books and records of the Corporation relevant to that purpose, at the expense of the member.

9. FINANCIAL RECORDS AND ANNUAL REPORTS

The Corporation shall maintain current true and accurate financial records with full and correct entries made with respect to all financial transactions of the Corporation, including all income and expenditures, in accordance with generally accepted accounting practices. All records, books, and annual reports (if required by law) of the financial activity of the Corporation shall be kept at the registered office or principal office of the Corporation in this state for at least three years after the closing of each fiscal year and shall be available to the public for inspection and copying there during normal business hours. The Corporation may charge for the reasonable expense of preparing a copy of a record or report.

10. CODE OF ETHICS

1. **Purpose.** To regulate the ethics of the membership concerning the manner in which the association conduct and represent sponsorship of the CACFP to providers and other sponsors.
 - A. Promote and support the nutritional and general well-being of children.
 - B. Conduct CACFP and related business in compliance with all USDA CACFP regulations.
 - C. Recruit only those providers or child care centers that are not under contract to another sponsor. When it is determined that a provider or child care center is under sponsorship of

another contractor, all recruiting efforts shall cease.

- D. When enrolling new providers or child care centers in the CACFP, member sponsors will:
- 1) ensure the provider or center representative understands all contractual obligations;
 - 2) ensure the provider or center representative understands the basic purpose and operation of the program;
 - 3) ensure the provider or center representative complies with the USDA CACFP requirements and the minimum standards set by the TDA.

E. Changing Sponsorships

Should a provider or center representative wish to change sponsorship, the intended sponsor shall follow these guidelines:

- 1) encourage problem resolution with the current sponsor; and
- 2) follow TDA regulations for changing sponsors.

- 2. Guidelines. The Texas CACFP Sponsors Association prohibits the intentional recruitment of centers or homes that are currently participating with another sponsor. Spending administrative monies to simply move existing providers from one sponsorship to another is not only self-defeating for the program in Texas, but will ultimately jeopardize the program as a whole. Open Enrollment Periods are intended for participating homes and centers to have the opportunity to change sponsors, not for sponsors to recruit existing providers to change sponsorships. Attempts to recruit homes, even during open enrollment periods should be directed at finding unregistered homes. Example: Mass communications to all providers in an area will result in contact with homes already participating on the CACFP and would be considered intentional recruitment of providers currently participating on the CACFP.**

Violations of association ethics are considered an offense against the entire association and will be handled by the association board of directors when a formal complaint is filed by any member. When the executive board determines in a hearing that a sponsor has violated association ethics, the following outcomes may include but are not limited to:

1. **The sponsor will be placed on a Corrective Action Plan;**
2. **The sponsor will be subject to a mandatory suspension of membership for a period of time determined by the board to be no less than 90 days.**
3. **The sponsor must reimburse the appeals officer for all costs associated with the hearing before being allowed to return as a member in good standing. During the suspension period, the sponsor will forfeit all membership benefits including:**
 - a. **use of the association appeals board;**
 - b. **special pricing for use of Minute Menu;**
 - c. **access to and use of the members only website: www.txcacfp.org; and**
 - d. **any and all other benefits.**

3. Resolution of Conflicts

- A. When a conflict arises, sponsors should first endeavor to resolve the problem between themselves.
- B. In the event that the communication between sponsors fails to resolve a problem, the complainant sponsor may submit to the Executive Board a written complaint which shall include documentation of the previous attempt to solve the conflict.
- C. Upon reviewing all allegations, the Executive Board is to submit a written recommendation to both sponsors involved, and/or revoke membership, subject to the review and final determination of the appeals committee.

ARTICLE VIII - CONSTRUCTION

1. PRONOUNS AND HEADINGS

All personal pronouns used in these Bylaws shall include the other gender whether used in masculine or feminine or neuter gender, and the singular shall include the plural whenever and as often as may be appropriate. All headings herein are for the parties' convenience only and neither limit nor amplify the provisions of this Agreement.

2. INVALID PROVISIONS

If any one or more of the provisions of these Bylaws, or the applicability of any such provision to a specific situation, shall be held invalid or unenforceable, such provision shall be modified to the minimum extent necessary to make it or its application valid and enforceable, and the validity and enforceability of all other provisions of these Bylaws and all other applications of any such provision shall not be affected thereby.

3. REFERENCES TO EXISTING STATUTES

References in these Bylaws to any existing statute also include any successor law to such statute, including but not limited to the Texas Business Organizations Code, which will replace the Texas Business Corporation Act and the Texas Non-Profit Corporation Act.

ARTICLE IX - AMENDMENT OF BYLAWS

The Officers may amend or repeal these Bylaws, or adopt new Bylaws, unless the Certificate of Formation or the Texas Non-Profit Corporation Act limit such powers. Unless the Certificate of

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Formation or a bylaw adopted by the members provides otherwise as to all or some portion of these Bylaws, the members may amend or repeal these Bylaws or adopt new Bylaws even though the Bylaws may also be amended, repealed, or adopted by the Officers.

Adopted by the Executive Board on October 14, 2008.

Secretary