

**BYLAWS**  
**OF THE**  
**CITY OF CONVERSE ECONOMIC DEVELOPMENT CORPORATION**

**ARTICLE I**  
**PURPOSE AND POWERS**

- A. Purpose. The Corporation is incorporated for the purposes set forth in Article Four of its Articles of Incorporation, the same to be accomplished on behalf of the City of Converse, Texas (the "City") as its duly constituted authority and instrumentality in accordance with the Development Corporation Act of 1979, as amended, Texas Revised Civil Statutes Annotated Article 5190.6, now codified at Chapter 505, Tex. Local Gov't Code (the "Act"), and other applicable laws.
- B. Powers. In the fulfillment of its corporate purpose, the Corporation shall be governed by Section 4B of the Act and an election held in the City on January 15, 2000 (the "Election"), and shall have all the powers set forth and conferred in its Articles of Incorporation, in the Act, and in other applicable law, subject to the limitations prescribed therein and herein and to the provisions thereof and hereof.

**ARTICLE II**  
**BOARD OF DIRECTORS**

- A. Powers: The property and affairs of the Corporation shall be managed and controlled by a Board of Directors (the "Board") under the guidance and direction of the City Council of the City (the "Council") and, subject to the restrictions imposed by law, by the Articles of Incorporation, and by these Bylaws, the Board shall exercise all of the powers of the Corporation. The Board shall retain legal counsel and financial advisors for the Corporation.
- B. Number: The Board shall consist of seven (7) directors, each of whom shall be appointed by the Council. No more than two (2) of the seven (7) directors may be employees or officers of the City, or members of the City Council. A vacancy on the Board shall be filled by a vote of a majority of the City Council.
- C. Term of Office: The directors constituting the first Board shall be those directors named in the Articles of Incorporation. Successor directors shall have the qualifications, shall be of the classes of directors, and shall be appointed to the terms set forth in the Articles of Incorporation.
- D. Removal from Office: Any director may be removed from office by a majority vote of City Council at any time with or without cause.

E. Meetings of Directors:

1. The directors may hold their meetings at such place or places in the City as the Board may from time to time determine; provided, however, in the absence of any such determination by the Board, the meetings shall be held at the principal office of the Corporation as specified in Article V. A. of these Bylaws. Regular meetings of the Board shall be held with the agenda serving as the only necessity of notice to directors at such times and places as shall be designated from time to time by the Board. Special meetings of the Board shall be held whenever called by the President, by a majority of the directors, by the Mayor of the City, or by a majority of the Council.
2. The notice of the meetings shall include an agenda listing any and all matters pertaining to the purposes of the Corporation that may be considered and acted upon at the special meeting. Matters pertaining to the purpose of the Corporation may be considered and acted upon only after proper notice and an agenda as required by the Texas Open Meetings Act.
3. Whenever any notice is required to be given to the Board, said notice shall be deemed to be sufficient if given by depositing the same in a post office box in a sealed postpaid wrapper addressed to the person entitled thereto at his or her post office address as it appears on the books of the Corporation, and such notice shall be deemed to have been given on the day of such mailing. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except attendance of a director at a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened. A waiver of notice in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.
4. Board members are expected to attend and participate in all meetings. Absences may be excused before the meeting by the President of the Board; absences after a meeting may only be excused by majority vote of the Board. Failure to attend three of any five consecutive meetings, without being excused shall be considered a resignation and the City Council will be asked to appoint a replacement for the remainder of the term.

F. Open Meetings Act. All meetings and deliberations of the Board shall be called, convened, held, and conducted, and notice shall be given to the public, in accordance with the Texas Open Meetings Act, as amended, Chapter 551, Texas Government Code.

G. Quorum. A majority of the entire membership of the board, including any vacancies, constitutes a quorum to conduct official business of the Corporation. The act of a majority of the Board of Directors present at a meeting at which a quorum is in attendance shall constitute the act of the Board and of the Corporation, unless the act of a greater number is required by law.

H. Conduct of Business:

1. At all meetings of the Board, matters pertaining to the business of the Corporation shall be considered in accordance with Robert's Rules of Order (latest edition).
2. At all meetings of the Board, the President shall preside. In the absence of the President, the Vice President shall preside.
3. The President shall be a voting member of the Board.

I. Committees of the Board. The Board may designate two (2) or more directors to constitute an official committee of the Board to exercise such authority, as approved by resolution, motion or order duly adopted by the Board. It is provided, however, that all final, official actions of the Corporation may be exercised only by majority vote of the Board. Each committee so designated shall keep regular minutes of the transactions of its meetings and shall cause such minutes to be recorded in books kept for that purpose in the principal office of the Corporation and any such meetings must be conducted in accordance with the provisions of the Texas Open Meetings Act, as amended, Chapter 551, Texas Government Code, if applicable.

J. Compensation of Directors. Directors shall not receive any salary or compensation for their services as directors. However, they shall be reimbursed for their actual expenses incurred in the performance of their official duties as directors. Officers who are not on the Board of Directors such as the Executive Director and his/her staff, the Secretary if not a member of the Board, and the Treasurer if not a member of the Board shall receive salary or compensation for their services as agreed between the Board and the Officers and employees.

**ARTICLE III  
OFFICERS**

A. Titles and Terms of Office.

1. The officers of the Corporation shall be a President, a Vice President, a Secretary and such other officers as the Board may from time to time elect to fill a vacancy or as appointed by the Council. The President and Secretary shall be appointed by the Board of Directors. All other officers of the Corporation shall be elected from the Board by majority vote of the Board. One person may hold more than one office. Terms of office for officers shall be for one (1) year with the term of office expiring on May 31 of each year. Upon the expiration of the terms, each officer shall have the right to be re-appointed or re-elected.
2. All officers shall be subject to removal from office at any time by a vote of a majority of the Board of Directors with or without cause.
3. A vacancy in an officer position on the Board shall be filled by a vote of a majority of the directors.

B. Powers and Duties of the President. The President shall be the chief executive officer of the Corporation, and subject to the authority of the Board, the President shall be in

general charge of the properties and affairs of the Corporation. The President shall preside over the meetings of the Corporation.

- C. Vice President. The Vice President shall have such powers and duties as may be prescribed by the Board and shall exercise the powers of the President during that officer's absence or inability to act, in their respective order. Any action taken by the Vice President in the performance of the duties of the President shall be conclusive evidence of the absence or inability to act of the President at the time such action was taken.
- D. Executive Director. The Executive Director of the Corporation shall be appointed by a majority vote of the Board of Directors to provide administrative support services and financial management for the Corporation. With approval of the City Council, the City Manager, or his designee, may be appointed and serve as the Executive Director for the Corporation. The Executive Director shall not be a member of the board of directors, and the City Manager shall be ineligible to serve on the Board of Directors while performing the duties of Executive Director. The Executive Director is also the Chief Fiscal Officer and the Chief Financial Officer as those terms are referred to in these Articles of Incorporation, the Bylaws and the Investment Policy and Strategy.
  - 1. The Executive Director shall perform duties as prescribed by the Board and execute all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments in the name of the Corporation in accordance with all applicable City policies concerning authorizations, signatures and disbursements. The Executive Director shall hire staff as approved by the Board to effectively and efficiently fulfill the responsibilities of the office. With approval of the City Manager and the City Council, employees of the City may serve as a part, or all of the Executive Directors staff.
  - 2. The Executive Director shall be the chief fiscal officer of the Corporation, and shall have the responsibility to see to the handling, custody, and security of all funds and securities of the Corporation in accordance with these bylaws. The Executive Director shall prepare the annual operating budget for the Corporation and shall submit it for review and approval by the Board and City Council. When necessary or proper, the Executive Director may endorse and sign, on behalf of the Corporation, for collection or issuance, checks, notes, and other obligations in or drawn upon such bank, banks or depositories as shall be designated by the Board consistent with these bylaws. The Executive Director shall see to the entry in the books of the Corporation full and accurate accounts of all money received and paid out on account of the Corporation. The Executive Director and Assistant Executive Director shall, at the expense of the Corporation, give such bond for the faithful discharge of his/her duties in such form, and amount as the Board or the Council may require. All purchasing, contracting, and check writing authority will follow all applicable City policies concerning authorizations, signatures and disbursements.
  - 3. The Board of Directors shall appoint a Corporate Secretary who shall in general perform all duties incident to the office of Corporate Secretary, subject to the control of the Board. The Corporate Secretary is also the Corporate Treasurer and the Assistant Chief Financial Officer as those terms are referred to in these Articles of Incorporation, the Bylaws and the Investment Policy and Strategy.

a. The Corporate Secretary shall keep the minutes of all meetings of the Board and books provided for that purpose, and shall give and serve all notices. The Corporate Secretary may attest the signature thereto for all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments of the Corporation. The Corporate Secretary shall act as Secretary of all meetings of the Board, but in the absence of the Corporate Secretary, the Executive Director may appoint any person to act as secretary of the meeting.

b. The Corporate Secretary shall have charge of the corporate books, records, documents and instruments, to include the books of account and financial records and securities, and such other books and papers as the Board may direct.

c. The Corporate Secretary shall maintain all of the above records open to public inspection at all reasonable times in accordance with the Texas Public Information Act.

4. The Executive Director may also appoint an Administrative Secretary who shall in general perform all duties as assigned by the Executive Director or the Corporate Secretary.

E. Compensation. Officers who are members of the Board shall not receive any salary or compensation for their services, except that they shall be reimbursed for the actual expenses incurred in the performance of their official duties as Officers. Officers who are not on the Board of Directors such as the Executive Director and his staff shall receive salary or compensation for their services as agreed between the Board and the Officers and employees.

#### **ARTICLE IV FUNCTIONAL CORPORATE DUTIES AND REQUIREMENTS**

A. City of Converse Economic Development Corporation Plan.

1. It shall be the duty and obligation of the Board to develop, finance, and implement the City of Converse Economic Development Corporation Plan subject to approval by the City Council.

2. In carrying out its obligations, the Corporation shall be authorized to exercise all rights, and powers granted under the Act, including, but not limited to Section 4B.

3. The Board shall periodically submit reports to the Council as to the status of its activities in carrying out its obligations under this Section.

4. Any and all agreements between the Corporation and other parties shall be authorized, executed, and approved, and delivered in accordance with applicable law.

B. Annual Corporate Budget. Prior to the commencement of each fiscal year of the Corporation, the Board shall adopt a proposed budget of expected revenues and proposed

expenditures for the next ensuing fiscal year. The budget shall contain such classifications and shall be in such form as may be prescribed from time to time by the City Council. The budget shall not be effective until the same has been approved by the City Council.

C. Books, Records, Audits.

1. The Corporation shall keep and properly maintain in accordance with generally accepted accounting principles, complete books, records, accounts, and financial statements pertaining to its corporate funds, activities, and affairs.
2. At the direction of the City Council, the books, records, accounts, and financial statements of the Corporation may be maintained for the Corporation by the accountants, or the Executive Director and his staff
3. The Corporation shall cause its books, records, accounts, and financial statements to be studied at least once each fiscal year by an outside, independent auditing and accounting firm selected by the Board and approved by the City Council. Such an audit shall be at the expense of the Corporation.
4. The Corporation shall submit to the Texas Comptroller annually, a report that includes the Corporation's primary economic development objectives, total revenues and expenditures for the preceding fiscal year, types of revenues and expenditures, and a list of the corporation's capital assets.

D. Deposit and Investment of Corporation Funds.

1. All proceeds from loans or from the issuance of bonds, notes, or other debt instruments ("Obligations") issued by the Corporation shall be deposited and invested as provided in the resolution, order, indenture, or other documents authorizing or relating to their execution or issuance.
2. Subject to the requirements of contracts, loan agreements, indentures or other agreements securing Obligations, all other money of the Corporation, if any, shall be deposited, secured, and/or invested in the manner provided for the deposit, security, and/or investment of the public funds of the City. The Board, with City Council approval, shall designate the accounts and depositories to be created and designated for such purposes, and the methods of withdrawal of funds therefrom for use by and for the purposes of the Corporation upon the signature of its Executive Director and such other persons as the Board designates. The accounts, reconciliation, and investment of such funds and accounts shall be performed by the Executive Director, or his designated representative.

E. Expenditure of Corporate Money. The sales and use taxes collected pursuant to Section 4B of the Act and the proceeds from the investment of funds of the Corporation, the proceeds from the sale of property, revenues generated by any Projects as defined in Section 4B of the Act and payable to the Corporation or any other source of revenues that are payable to the Corporation, and the proceeds derived from the sale of Obligations, may be expended by the Corporation for any of the purposes authorized by the Act, subject to the following limitations:

1. Expenditures that may be made from a fund created with the proceeds of Obligations, and expenditures of money derived from sources other than the proceeds of Obligations may be used for the purpose of financing or otherwise providing one or more Projects, as defined in Section 4B of the Act.
  2. All other proposed expenditures shall be made in accordance with and shall be set forth in the annual budget or in contracts meeting the requirements of paragraph A. 4. of this Article.
- F. Issuance of Obligations. No Obligations, including refunding Obligations shall be authorized or sold and delivered by the Corporation unless the City Council approves such Obligations by actions taken prior to the date of initial delivery of the Obligations to the initial purchasers thereof.

## **ARTICLE V MISCELLANEOUS PROVISIONS**

- A. Principal Office.
1. The principal office of the Corporation shall be located at 110 W. Legion Street, Converse, Texas. The registered office of the Corporation shall be the registered office of the Corporation specified in the Articles of Incorporation.
  2. The Corporation shall have and shall continually designate a registered agent at its office, as required by the Act.
- B. Fiscal Year. The fiscal year of the Corporation shall be the same as the fiscal year of the City.
- C. Seal. The seal of the Corporation shall be determined by the Board.
- D. Resignations. Any director or officer may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein, or, if no time is specified, at the time of its receipt by the President or Secretary. The acceptance of resignation shall not be necessary to make it effective, unless expressly so provided in the resignation. When members of the Board propose to resign, if reasonably feasible, they shall give notice of their intent to the President; making the date of resignation effective in such a manner as to allow time for appointment of replacement.
- E. Approval or Advice and Consent of the Council. To the extent that these bylaws refer to any approval by the City or refer to advice and consent by the Council, such advice and consent shall be evidenced by a certified copy of a resolution, order or motion duly adopted by the City Council.
- F. Services of City Staff and Officers. The Corporation may request the services and the assistance of staff employees of the City. All requests for staff time or inquiries of staff will be requested through the City Manager. The Corporation shall pay reasonable compensation to the City for such services, and the performance of such services shall not materially interfere with the other duties of such personnel of the City.
- G. Indemnification of Directors, Officers and Employees.

1. As provided in the Act, the Corporation is, for the purposes 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.
2. The Corporation shall indemnify each and every member of the Board, its officers and its employees and each member of the Council and each employee of the City, to the fullest extent permitted by law, against any and all liability or expense, including attorney's fees, incurred by any of such persons by reason of any actions or omissions that may arise out of the sanctions and activities of the Corporation. The legal counsel for the Corporation is authorized to provide a defense for members of the Board, officers, and employees of the Corporation.

**ARTICLE VI**  
**EFFECTIVE DATE, AMENDMENTS**

- A. Effective Date. These bylaws shall become effective upon the occurrence of the following events:
  1. the approval of these bylaws by the Council; and,
  2. the adoption of the bylaws by the Board.
- B. Amendments to Articles of Incorporation and Bylaws. The Articles of Incorporation of the Corporation and these bylaws may be amended only in the manner provided in the Articles of Incorporation and the Act.