

BYLAWS OF
MEXIA ECONOMIC DEVELOPMENT CORPORATION

ARTICLE I

PURPOSE AND POWERS

Section 1. Purpose. The Corporation is incorporated for the purposes set forth in Article of its Articles of Incorporation, the same to be accomplished on behalf of the City of Mexia, Texas (the "City") as its duly constituted authority and instrumentality in accordance with the Development Corporation Act of 1979, as amended, Article 5190.6, Vernon's Ann. Civ. St., as amended, (the "Act"), and other applicable laws.

Section 2. Powers. In the fulfillment of its corporate purpose, the Corporation shall be governed by Section 4B of the Act, and shall have all powers set forth and conferred in its Articles of Incorporation, in the Act, and in other applicable law, subject to the limitations proscribed therein and to the provisions thereof and thereof.

ARTICLE II

BOARD OF DIRECTORS

Section 1. Power, Number of Directors and Term of Office.

- (a) 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 Mexia City Council and, subject to the restrictions imposed by law, by the Articles of Incorporation, and by these Bylaws, the Board shall exercise all the powers of the Corporation.
- (b) The Board shall consist of seven (7) directors, each of whom shall be appointed by the Mexia City Council from citizens of the City of Mexia, or a citizen from an adjoining county who owns a business on self-owned property in the City of Mexia, or is in an executive management position in a business in the City of Mexia, each director shall occupy a place (individually, The "Place" and collectively, the "Places")
- (c) The directors constituting of 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) Any director may be removed from office by the Council at will.

Section 2. Meetings of Directors. 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 of these Bylaws.

Section 3. Notice of Meetings.

- (a) The annual meeting of the Board shall be held at the principal office of the Corporation on the 2nd Tuesday of October of each year, if not a legal holiday, and if a legal holiday, then at the next business day following, at 5:30 p.m., or at such time and place as shall be fixed by the consent in writing of all of the directors. All other meetings may be held at the place selected by the Board within the boundaries of the City.
- (b) Regular meetings of the Board shall be held without the necessity of notice to the directors at such times and places as shall be designated from time to time by the Board.
- (c) Special meetings of the Board shall be held whenever called by the Chair of the Board, two directors of the board, or by a majority of the City Council.
- (d) The Secretary shall give notice to each director of each special meeting in person or by mail, telephone or by facsimile, at least (3) days before the meeting. Unless otherwise indicated in the notice thereof, any and all matters pertaining to the purposes of the Corporation may be considered and acted upon at a special meeting. At any meeting at which ever director shall be present, even though without any notice, any matter pertaining to the purpose of the Corporation may be considered and acted upon consistent with applicable law.
- (e) Whenever any notice is required to be given to the Board, and notice shall be deemed to be sufficient if delivered to their home address in a sealed wrapper addressed to the person entitled thereto or by depositing same in a post office box in a sealed post-paid wrapper addressed to 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 or delivery. Attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends 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. Neither the business to be transacted at, nor the purpose of, any regular or special meeting need be specified in the notice of such meeting, unless required by the Board. 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.
- (f) An emergency meeting, should there be a need must have a two hour (2 hour) posting with all board members and the media contacted by telephone or email.

Section 4. 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 Meeting Act. Article 6252.17, Vernon's Ann. Civ. St., as amended.

Section 5. Quorum. A majority of the directors shall constitute a quorum to conduct official business of the Corporation. The act of a majority of the 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.

Section 6. Conduct of Business.

- (a) At the meetings of the Board, matters pertaining to the business of the Corporation shall be considered in accordance with rules of procedure as from time to time prescribed by the Board.
- (b) At all meetings of the Board, the President shall preside. In the absence of the President the Vice President shall preside.
- (c) The President will be voting member of the Board.
- (d) The Secretary of the Corporation shall act as Secretary of all meetings of the Board, but in the absence of the Secretary, the presiding officer may appoint any person to act as Secretary of the meeting.

Section 7. 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 of the Board. It is provided, however, that all final, official actions of the Corporation may be exercised only by 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.

Section 8. 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.

ARTICLE III

OFFICERS

Section 1. Titles and Terms of Office.

- (a) The officers of the Corporation shall be chosen by the Board. The Board shall choose from its members a President and a Vice President. The Board shall also choose a Secretary and a Treasurer who may be held by the same person, except the offices of President and Secretary.

- (b) All officers shall be subject to removal from office at any time by vote of a majority of the Board.
- (c) A vacancy in the office of any officer shall be filled by a vote of a majority of the Board of Directors.

Section 2. Powers and Duties of the Board President. The President shall preside at all meetings of the Corporation. The President shall appoint committees as needed to carry on the business of the Corporation. The President shall sign all minutes and resolutions of the corporation. The President shall be an ex-officio member of all standing committees.

Section 3. Powers and Duties of the 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.

Section 4. Powers and Duties of the Treasurer. The Treasurer shall have the responsibility to see the handling, custody, and security of all funds and securities of the Corporation in accordance with these bylaws. When necessary or proper, the Treasurer may endorse sign, on behalf of the Corporation, for collection or issuance, checks, notes and other obligation in or drawn upon such bank, banks, or depositories as shall be designated by the Board consistent with these Bylaws. The Treasurer shall see the entry in the books of the Corporation full and accurate accounts of all monies received and paid out on account of the Corporation. The Treasurer shall, at the expense of the Corporation, give such bond for the faithful discharge of his duties in such form and amount as the Board or the City Council may require. All check writing authority will follow all applicable city policies concerning authorizations, signatures, and disbursements. He shall render to the President and Directors, at the regular meetings of the Board, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Corporation.

Section 5. Powers and Duties of the Secretary. The Secretary shall attend all sessions of the Board and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all special meetings of the Board and shall perform such other duties as may be prescribed by the Board or the Chair, under whose supervision he shall be. He shall keep in safe custody the seal of the Corporation and, when authorized by the Board, affix the same to any instrument requiring it, and when so affixed, it shall be attested by his signature. And when the corporate seal is required as to instruments executed in the course of ordinary business he shall be attest to the signature of the President or Vice President and shall affix the seal thereto on all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments of the Corporation. He shall have charge of the corporate books, records, documents and instruments, except the books of account and financial records and securities, and such other books and papers as the Board may direct, all of which shall at all reasonable times be open to

public inspection upon application at the office of the Corporation during business hours.

Section 6. Any assistant treasurer and any assistant secretaries may, at the option of the Board, be employees of the Corporation.

Section 7. The Board may require the President, Vice President, Secretary, Treasurer, to give the Corporation bonds in such sums and with such surety or sureties as shall be satisfactory to the Board for the faithful performance of the duties of their office and for the restoration to the Corporation, in case of his death, resignation, retirement or removal from office of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Corporation.

Section 8. 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 their actual expenses incurred in the performance of their official duties as officers.

Section 9. Executive Director. The Executive Director shall be a professional, and an employee of the board and not a Director. The Executive Director shall be the chief executive officer of the Corporation, and, subject to the authority of the Board, the Executive Director shall be in general charge of the properties and affairs of the Corporation, and execute all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments in the name of the Corporation. The Executive Director shall have general supervision of the management of the business of the Corporation, and shall see that all orders and resolutions of the Board are carried into effect upon the approval of the Board.

ARTICLE IV

FISCAL PROVISION

Section 1. Annual Corporate Budget. Prior to the commencement of each Fiscal Year of the Corporation, the Board shall adopt a proposed budget of expected revenues from sources set out in Section 6 of this article 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 Board. The budget will include administrative overhead, expenses and debt service. The proposed budget shall be subject to approval by the City Council.

Section 2. Books, Records, Audits.

- (a) The Corporation shall keep and properly maintain, in accordance with generally accepted accounting principals, complete books, records, accounts, and financial statements pertaining to its corporate funds, activities, and affairs.
- (b) At the request of the Corporation, the books, records, accounts, and financial Statements of the Corporation may be maintained for the Corporation by the staff and personnel of the

City.

- (c) The Corporation shall allow its books, records, accounts, and financial statements to be audited at least once each fiscal year by an outside, independent auditing and accounting firm selected by the City Council. Such audit shall be in conjunction with the City's annual audit.

Section 3. Deposits and Investment of Corporation Funds.

- (a) 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.
- (b) Subject to the requirements of contracts, loans agreement indentures or other agreements, securing Obligations, all other monies 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 shall designate the accounts and depositories to be created and designated for such purposes of the Corporation upon the signature of its treasurer and such other persons as the Board designates. The accounts, reconciliation, and investment of such funds and accounts shall be performed by the Treasurer of the Corporation.

Section 4. Expenditures 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, and the proceeds derived from the sale of property, 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:

- (a) Expenditures from the proceeds of Obligations shall be identified and described in the orders, resolutions, indentures, or other agreements submitted for the approval by the Board prior to the execution of loan or financing agreements or the sale and delivery of the Obligations to the purchasers thereof required by Section 7 of this Article;
- (b) Expenditures that may be made from a fund created with 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. Expenditures shall be described as "Projects" in the Corporation's annual budget.
- (c) All proposed expenditures shall be made in accordance with and shall be set forth in the Corporation's annual budget required by Section 3 of this Article or in contracts meeting the requirements of Section 1 of this Article.

Section 5. Issuance of Obligations. No obligations, including refunding obligations, shall be

authorized or sold and delivered by the Corporation unless the City Council shall approve such Obligations by action taken prior to the date of sale of the obligations.

Section 6. Dividends and Lobbying. No dividends shall ever be paid by the Corporation and no part of its net earnings remaining after payment of its expense shall be distributed to or inure to the benefit of its directors or officers or any individual, firm, corporation, or association, except that in the event the Board of Directors shall determine that sufficient provisions has been made for the full payment of the expenses, bonds, and other obligations of the Corporation, then any net earnings of the Corporation thereafter accruing shall be paid to the City. No part of the Corporation's activities shall be carrying propaganda, or otherwise attempting to influence legislation, and it shall not participate in, or intervene in (including the publishing or distributing of statement), any political campaign on behalf of or in opposition to any candidate for public office.

Section 7. Report to the Board. The Board shall have prepared for each annual meeting a full and clear statement of the business and condition of the Corporation.

Section 8. Checks. All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board may from time to time designate, provided that in no event shall a check be signed by at least one officer and must be signed by at least two persons so authorized.

ARTICLE V

MISCELLANEOUS PROVISIONS

Section 1. Principal Office.

- (a) The principal office and the registered office of the Corporation shall be the registered office of the Corporation specified in the Articles of Incorporation.
- (b) The Corporation shall have and shall continually designate a registered agent at its office, as required by the Act.

Fiscal Year. The fiscal year of the Corporation shall be the same as the fiscal year of the City.

Section 3. Seal. The Seal of the Corporation shall be determined by the Board of Directors.

Section 4. 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, in no time is specified, at the time of its receipt by the Secretary. The acceptance of resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

Section 5. Approval or Advice and Consent of the City Council. To the extent that these Bylaws refer to any approval by the City or refer to advice and consent by the City Council, such advice and consent shall be evidenced by one of the following: resolution, minute order or motion duly adopted by the City Council.

Section 6. Services of City Staff and Officers. Subject to the authority of the City Manager under the Laws of the State of Texas, the Corporation shall utilize the services and the staff employees of the City. All requests for staff time or inquiries to Staff will be requested through the City Manager's Office. The Corporation shall pay reasonable compensation to the City for such services, and the performance of such services will not materially interfere with the other duties of such personnel of the City.

Section 7. Indemnification of Directors, Officers and Employees.

- (a) As provided in the Act and the Articles of Incorporation 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.
- (b) The Corporation 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's fees, incurred by any of such persons by reasons of any actions or omissions that may arise out of the functions and activities of the Corporation. The attorney 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

Section 1. Effective Date These Bylaws shall become effective upon the occurrence of the following events:

- (a) The approval of these Bylaws by the City Council: and
- (b) The Adoption of these Bylaws by the Corporation Board of Directors.

Section 2. 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.