

BYLAWS OF THE BARTONVILLE COMMUNITY DEVELOPMENT CORPORATION

These bylaws (referred to as the “Bylaws”) govern the affairs of the Bartonville Community Development Corporation, a public instrumentality and a non-profit corporation (hereinafter referred to as the “Corporation”) created under Section 4B of the Development Corporation Act of 1979, Article 5190.6 of the Revised Civil Statutes of Texas (hereinafter referred to as the “Act”).

ARTICLE I PURPOSE AND POWERS

Section 1. Purpose. The Corporation is incorporated for the purposes set forth in Article IV of its Articles of Incorporation, the same to be accomplished on behalf of the Town of Bartonville, Texas (the “Town”), as its duly constituted authority and instrumentality in accordance with the Development Corporation Act of 1979, as amended, Article 5190.6, Tex. Rev. Civ. Stat. Ann., as amended (the “Act”), and other applicable laws.

Section 2. Powers. In the fulfillment of its corporate purpose, the Corporation shall be governed by the Act, and shall have all of 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 to the provisions thereof. General enumerated powers of the Corporation shall include the following:

- 1) Develop policies and operating procedures that do not conflict with Town policy;
- 2) Acquire or lease property (land or buildings) within the town limits (or the ETJ) or, with Council approval, outside the town limits;
- 3) Plan, develop, improve, and sell or lease land;
- 4) Build or rehabilitate buildings for sale or lease;
- 5) Sell or lease property by installment payments or otherwise;
- 6) Make secured or unsecured loans or loan guarantees;
- 7) May borrow funds and issue bonds with Town Council approval;
- 8) Develop and implement financial/incentive programs to attract and retain business;
- 9) Sue or be sued in the Corporation’s name;
- 10) Develop long-range goals and programs for the Town and the Corporation;
- 11) Appoint standing or ad hoc committees, which may include individuals who are not members of the Board;
- 12) Employ personnel as may be needed to conduct the business of the Corporation;
- 13) Contract for support services with organizations necessary to conduct the business of the Corporation;
- 14) Market and promote the Town and amenities consistent with the purposes and duties set out in the Bylaws;
- 15) Provide funding for or to develop infrastructure; and
- 16) Perform any other function, engage in any activity, and pursue any project authorized by the Act as now in effect or as may be amended.

ARTICLE II BOARD OF DIRECTORS

Section 1. Powers, Number, and Term of Office.

(a) The property and affairs of the Corporation shall be managed and controlled by a Board of Directors (the "Board") 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.

(b) The Board shall consist of seven (7) directors, each of whom shall be appointed by and serve at the pleasure of the Town Council (the "Council") of the Town.

(c) The directors constituting the first Board shall be those directors named in the Articles of Incorporation. Four (4) members of the first Board shall serve one (1) term of two (2) years each, and three (3) members will serve one (1) term of one (1) year each. Each successor member of the Board shall be appointed and shall serve for one (1) term of two (2) years each or until his or her successor is appointed as hereinafter provided. Vacancies shall be filled by appointment by the Council for the unexpired term. The initial members to serve one (1) year terms will be chosen by lot.

(d) Board members will be selected based on interest in the work of the Corporation, special expertise, and civil service. Special expertise includes but is not limited to, business skills in finance, accounting, law, personal credibility, business accomplishments, and interpersonal skills. Any Board member who files for public office must resign from the Board, with the exception of Council member's who have been appointed to the Board by Town Council and seek reelection to the Town Council.

(e) Any director may be removed from office by the council at will, without cause.

Section 2. Meetings of Directors. The directors may hold their meetings at such place or places in the Town 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. All meetings should be held within the town limits but the failure to do so shall not invalidate any action taken by the Board at such meeting. Board members shall be expected to regularly attend all Board meetings. Special consideration can be granted for absences for good cause. The Council shall be advised of and may remove any Board member who is absent from three consecutive regular or special meetings.

Section 3. Notice of Meetings.

(a) Regular Meetings of the Board shall be held at such times and places as shall be designated from time to time by the Board, but not fewer than four (4) per year. The annual meeting shall be held in the last quarter of the fiscal year and will be held concurrently with a

regular or special called meeting of the Council. Special Meetings of the Board shall be held whenever called by the chairperson, by the vice chairperson, by the treasurer, by the secretary, by a majority of the directors, by the Mayor of the Town, or by a majority of the Council.

(b) The secretary shall give notice to each director of each Special Meeting in person or by mail, telephone or telegraph, at least seventy-two (72) hours 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 every 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.

(c) 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 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 of the Board need be specified in the notice or waiver of 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.

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 Meetings Act, Chapter 551, Texas Government Code.

Section 5. Quorum. A majority of the voting members shall constitute a quorum for the conduct of the 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 or these Bylaws. No action can be approved without the affirmative vote of at least four (4) members. A Board member may not vote by proxy.

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 chairperson shall preside and, in the absence of the chairperson, the vice chairperson, the treasurer or the secretary shall exercise the powers of the chairperson.

(c) 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 three or more directors to constitute an official committee of the Board to exercise such authority of the Board as may be specified in the resolution. 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 duties hereunder.

ARTICLE III OFFICERS

Section 1. Titles and Term of Office.

(a) The officers of the Corporation shall be a chairperson, a vice chairperson, a treasurer, a secretary, and such other officers as the Board may from time to time elect or appoint. One person may hold more than one office, except that the chairperson shall not hold the office of secretary. Terms of office shall be one (1) year with the right of an officer to be reelected.

(b) All officers shall be subject to removal from office at any time by a vote of a majority of the entire Board.

(c) A vacancy in the office of any officer shall be filled by a vote of a majority of the directors.

Section 2. Powers and Duties of the Chairperson. The chairperson shall be the chief executive officer of the Corporation and, subject to the paramount authority of the Board, the chairperson shall be in general charge of the properties and affairs of the Corporation, shall preside at all meetings of the Board, and may sign and execute all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments in the name of the Corporation.

Section 3. Treasurer. The treasurer shall have responsibility to monitor the handling, custody, and security of all funds and securities of the Corporation in accordance with these Bylaws. The treasurer shall see to 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 may require.

Section 4. Secretary. The secretary shall keep the minutes of all meetings of the Board in books provided for that purpose, shall give and serve all notices, may sign with the chairperson in the name of the Corporation and/or attest the signature thereto all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments of the Corporation, 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 regular business hours, and shall in general perform all duties incident to the office of secretary subject to the control of the Board.

Section 5. The chairperson, the vice chairperson, and the treasurer shall be named from among the members of the Board. Other officers may, at the option of the Board, be persons other than members of the Board, and they may be employees of the Town.

Section 6. 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 duties hereunder. Other officers may be compensated as directed by the Board.

ARTICLE IV FUNCTIONAL CORPORATE DUTIES AND REQUIREMENTS

Section 1. General Development Plan.

(a) The Board shall research, develop, prepare, and submit to the Council for its approval, an annual work plan, which shall set out goals and objectives of the Corporation, including but not limited to short-term and long-term goals for the economic development of the Town, proposed methods for the elimination of unemployment and underemployment, goals and objectives for the unitization of funds to promote the expansion and development of a sound corporate business base for and within the Town, and any other similar goals including proposed methods and the expected costs of implementation.

(b) The Board shall conduct an annual performance evaluation detailing the Corporation's achievement of its prior goals and objectives as well as review and update the annual work plan each year prior to submission of the annual budget required by other provisions of these Bylaws.

(c) Activity reports shall be submitted in writing to the Council as considered necessary.

Section 2. Annual Corporate Budget. At least thirty (30) days 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 Council. The budget shall not be effective until the same has been approved by the Council.

Section 3. Books, Records, Audits.

(a) 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.

(b) At the direction of the Council, the books, records, accounts and financial statements of the Corporation may be maintained for the Corporation by the accountants, staff and personnel of the Town. In such event, the Corporation shall pay to the Town reasonable compensation for such services.

(c) The Corporation, or the Town if the option described in subsection (b) is selected, shall cause 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 Corporation. Such audit shall be at the expense of the Corporation.

(d) All books, records, accounts, and financial statements shall be kept and administered in accordance with the Texas Public Information Act, Chapter 552, Texas Government Code.

Section 4. Deposit and Investment of Corporate Funds.

(a) All proceeds 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 issuance.

(b) All other monies of the Corporation shall be deposited, secured and/or invested in the manner provided for the deposit, security and/or investment of the public funds of the Town. The Board shall designate the accounts and depositories to be created and designated for such purposes and methods of withdrawal of funds therefrom for use by and for the purposes of the Corporation, upon the signature of its treasurer and such other persons as the Board shall designate. The accounts reconciliation, and the investment of such funds and accounts, will be performed by the Town. The Corporation shall pay reasonable compensation for such services to the Town.

Section 5. Expenditures of Corporate Money.

(a) The monies of the Corporation, including sales and use taxes collected pursuant to Section 4B of the Act, monies derived from the repayment of loans, rents received from the lease or use of property, 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 Obligations, may be expended by the Corporation for any of the purposes authorized by the Act, subject to the following limitations:

- (i) Expenditures from the proceeds of Obligations shall be identified and described in the orders, resolutions, indentures or other agreements submitted to and approved by the Council prior to the sale and delivery of the Obligations to the purchaser thereof required by Section 6 of this Article;
- (ii) Expenditures that may be made from a fund created with the proceeds of Obligations, and expenditures of monies derived from sources other than the proceeds of Obligations, may be used for the purposes of financing or otherwise providing one or more "Projects", as defined in the Act. The specific expenditures shall be described in a resolution or order of the Board, and shall be made only after the approval thereof by the Council;
- (iii) All other proposed expenditures shall be made in accordance with and shall be set forth in the annual budget required by Section 2 of this Article.

Section 6. Issuance of Obligations. No Obligations, including refunding obligations, shall be sold and delivered by the Corporation unless the Council shall approve such Obligations by action taken no more than sixty (60) days prior to the date of sale of the Obligations.

ARTICLE V MISCELLANEOUS PROVISIONS

Section 1. Principal Office.

- (a) The principal office of the Corporation shall be located at Town of Bartonville, 1941 East Jeter Road Bartonville, Texas 76226.
- (b) The Corporation shall have and shall continually designate a registered agent at its registered office, as required by the Act.

Section 2. Fiscal Year. The fiscal year of the Corporation shall be the same as the fiscal year of the Town.

Section 3. 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 be specified, at the time of its receipt by the chairperson or secretary. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in resignation.

Section 4. Approval or Advice and Consent of the Council. To the extent that these Bylaws refer to any approval by the Town 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 Council.

Section 5. Services of Town Staff and Officers. Subject to the paramount authority of the Mayor, the Corporation shall have the right to utilize the services of the Town Attorney, the Town Secretary, and the staff, provided that (i) the Corporation shall pay reasonable compensation to the Town of such services, and (ii) the performance of such services does not materially interfere with the other duties of such personnel of the Town.

Section 6. Indemnification of Directors, Officers, and Employees.

(a) As provided in the Act and in the Articles of Incorporation, 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.

(b) 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 Town, to the fullest extent permitted by law, against any and all liability or expense, including attorneys fees, incurred by any of such persons by reason of any actions or omissions that may arise out of the functions and activities of the Corporation. The Corporation may also purchase and maintain insurance on behalf of any Board member or employee. Copies of all insurance and bond policies will be filed with the Town Clerk.

Section 7. Robert's Rules of Order. The rules and procedure as stated in Robert's Rules of Order, Newly Revised, or specific rules adopted by the Council or Board shall guide the proceedings of the Board or its committees.

Section 8. Conflicts of Interest. No officer or employee of the Corporation shall have a financial interest, direct or indirect, in any contract with the Corporation, to the extent prohibited by Chapter 171 of the Texas Local Government Code, or shall be financially interested, directly or indirectly, in the sale to the Corporation of any land, materials, supplies, or service where such financial interest is prohibited by state law. Any willful violation of this section shall constitute malfeasance in office, and any officer or employee guilty thereof shall thereby forfeit his or her office or position. Any violation of this section, with the knowledge, express or implied, of the person or corporation contracting with the Corporation shall render the contract involved voidable by the Council.

Section 9. Legal Construction. If any Bylaw provision is held to be invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability shall not affect any other provision and the Bylaws shall be construed as if the invalid, illegal or unenforceable provision had not been included in the Bylaws.

ARTICLE VI
EFFECTIVE DATE, AMENDMENTS

Section 1. 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 these Bylaws by the Board.

Section 2. Amendments to Articles of Incorporation and Bylaws. The Articles of Incorporation of the Corporation may be amended only in the manner provided in the Articles of Incorporation and the Act. The Bylaws may be amended, altered, or repealed by an affirmative vote of four (4) Board members, but such amendment, alteration, or repeal shall not be effective until approved by a majority vote of the entire Council.

Section 3. Dissolution of the Corporation. The Corporation is a non-profit corporation. Upon dissolution, all of the Corporation's assets shall be distributed to the Town of Bartonville.

APPROVED AND ADOPTED by the Town Council of the Town of Bartonville, Texas by passage of Resolution No. 2004-10 on the 20th day of July, 2004.

RON ROBERTSON, MAYOR

ATTEST:

DEBBIE MILLICAN, TOWN SECRETARY

APPROVED AS TO FORM AND CONTENT:

ROBERT E. HAGER, TOWN ATTORNEY
(REH/cbd 6/13/05)(56960)

ADOPTED by the Board of Directors on the _____ day of _____ 2004.

Jim Foringer

John Quinn (Deceased)

Barry Gray

Gloria McDonald

Laura Smith

Ian Cleghorn

Wayne Hoyt