

RESOLUTION NO. 2012-04-TEDC

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
TOMBALL, TEXAS, APPROVING AMENDED BYLAWS OF THE
TOMBALL ECONOMIC DEVELOPMENT CORPORATION;
PROVIDING FOR THE EFFECTIVE DATE, AND OTHER RELATED
MATTERS.**

* * * * *

WHEREAS, the TOMBALL ECONOMIC DEVELOPMENT CORPORATION (the "Corporation"), also known as the Tomball Industrial Development Corporation, functions under the auspices of the City of Tomball, Texas, pursuant to the Development Corporation Act, now Chapter 501 through 505 of the Texas Local Government Code, as amended (the "Act"),

WHEREAS, the Corporation has obtained the approval of the City Council and is filing amended, updated and restated Bylaws; and

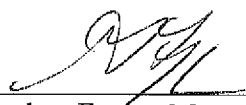
WHEREAS, the City Council, under whose auspices the Corporation was created, desires to approve the amended Bylaws of the Corporation; **now therefore,**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TOMBALL, TEXAS:

Section 1. The City Council of the City of Tomball, Texas, hereby approves the amended Bylaws of the Tomball Economic Development Corporation, the form of which is attached to this Resolution as **Exhibit" A"**.

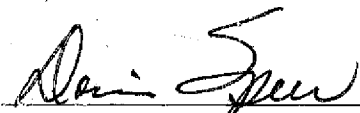
Section 2. This resolution shall be effective immediately upon its adoption.

PASSED, APPROVED, AND RESOLVED this 5th day of March, 2012.



Gretchen Fagan, Mayor

ATTEST:



Doris Speer, City Secretary

Exhibit "A"

**AMENDED BYLAWS
OF
TOMBALL ECONOMIC DEVELOPMENT CORPORATION**

These Bylaws govern the affairs of TOMBALL ECONOMIC DEVELOPMENT CORPORATION (the "Corporation"), an industrial development corporation created pursuant to the Development Corporation Act of 1979, Local Government Code Chapters 501 through 507 (the "Development Corporation Act"), as amended, and other applicable laws.

ARTICLE I

PURPOSE

Public Purpose

- 1.01. The Corporation is incorporated as a nonprofit corporation for the purpose set forth in the Articles of Incorporation. Its purpose is the promotion and development of the City of Tomball under the Development Corporation Act of enterprises to promote and encourage employment and the public welfare. The Corporation is a nonprofit corporation as defined by the Internal Revenue Code of 1986, as amended, and the applicable rulings of the Internal Revenue Service of the United States prescribed and promulgated thereunder.

Powers

- 1.02. In the fulfillment of its corporate purpose, the Corporation shall be governed by the Development Corporation Act, and shall have all of the powers set forth and conferred in its Articles of Incorporation, in the Development Corporation Act, and in other applicable law, subject to the limitations prescribed herein.

ARTICLE II

OFFICES

Principal Office

- 2.01. The Corporation's principal office in Texas is located at 401 Market Street, Tomball, Texas 77375.

Registered Office and Agent

- 2.02. The Corporation shall maintain a registered office and registered agent in Texas. The registered office may, but need not, be identical with the Corporation's principal office in Texas. The Board of Directors may change the registered

office and the registered agent as permitted by law.

ARTICLE III

BOARD OF DIRECTORS

Management of the Corporation

- 3.01. The affairs of the Corporation shall be managed by the Board of Directors.

Number, Qualifications and Service of Directors

- 3.02. The business of the Corporation and all corporate powers shall be executed by or under authority of the Board of Directors (the "Board"), appointed by the governing body of the City of Tomball, and subject to the limitations imposed by the Development Corporation Act, the Texas Nonprofit Corporation Act, the Texas Business Corporation Act, the Articles of Incorporation, and these Bylaws. The Board may, by contract, resolution, or otherwise, give general or limited or special power and authority to the officers and employees of the Corporation to transact the general business or any special business of the Corporation, and may give powers of attorney to agents of the Corporation to transact any special business requiring such authorization. The Board shall consist of seven members appointed by the City Council of the City of Tomball, Texas, for two year terms of office; provided, however, a Director may be appointed to serve additional terms. The terms shall be staggered with position numbers 1, 3, 5, and 7 ending on May 31st of odd-numbered years, and position numbers 2, 4 and 6 ending on May 31st of even-numbered years. Each Director must reside within the City of Tomball, Texas.

Vacancies

- 3.03. The Board of Directors shall notify the City Council of any vacancy occurring on the Board, and the vacancy will be filled by appointment by City Council for the unexpired term.

Annual Meeting

- 3.04. The annual meeting of the Board of Directors shall be held during the month of May of each year. The Board shall designate the time and location of the annual meeting which shall be held in the principal offices of the corporation or at such other location as the Board may designate.

Regular Meetings

- 3.05. The Board of Directors may provide for regular meetings by resolution stating the time and place of such meetings. The meeting shall be held within the City of

Tomball, Texas, and, to the extent practical, at the principal offices of the Corporation or at such other location as the Board may designate.

Special Meetings

- 3.06. Special meetings of the Board of Directors may be called at the request of the president or any two Directors. The person(s) calling the meeting shall fix the time and location of the meeting, which meeting shall be conducted within the City of Tomball, Texas, as provided above for regular meetings. The person(s) calling a special meeting shall notify the secretary of the Corporation of the information required to be included in the notice of the meeting. In addition to the posting of a meeting notice in accordance with these Bylaws, a copy of each such meeting notice shall be delivered to each Director not less than 72 hours before the time of the meeting. A meeting notice shall be deemed delivered to any Director when delivered to the Director in person or deposited in the United States mail addressed to the Director at his or her address as it appears on the records of the Corporation. Such additional notice may be waived in writing by a Director at any time either before or after the time of the meeting and such additional notice shall be deemed waived by attendance.

Notice of Meetings; Open Meetings

- 3.07. The Board of Directors is subject to the open meetings law, Chapter 551, Government Code.

Quorum

- 3.08. Four Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. The presence of a Director may not be established by proxy. No business shall be conducted, nor shall any action be taken by the Board, in the absence of a quorum.

Duties of Directors

- 3.09. Directors shall exercise ordinary business judgment in managing the affairs of the Corporation. In acting in their official capacity as Directors of the Corporation, Directors shall act in good faith and take actions that they reasonably believe to be in the best interests of the Corporation or that would be lawful and shall refrain from actions not in the best interest of the Corporation or that would be unlawful. A Director shall not be liable if, in the exercise of ordinary care, the Director acts in good faith relying on written financial and legal statements provided by an accountant or attorney retained by the Corporation.

Actions of Board of Directors: Proxy Voting Prohibited

- 3.10. The vote of a majority of Directors present at a meeting at which a quorum is present shall be sufficient to constitute the act of the Board of Directors. The

president shall be entitled to vote on all matters before the Board. A Director may not vote by proxy.

Minutes

- 3.11. The Board of Directors will keep minutes of its meetings, which minutes will constitute the record of such meetings.

Removal of Directors

- 3.12. The Board of Directors and each member thereof serve at the pleasure of the City Council of the City of Tomball, Texas, which may remove any Director at any time, either with or without cause.

Committees of Directors

- 3.13. The Board of Directors may by resolution establish one or more special or standing committees of its members. Such committees shall have the powers, duties and responsibilities established by the Board. The committees shall keep regular minutes of their meetings and report the same to the Board when required. The action of such a committee shall not constitute action by the Board.

Compensation

- 3.14. The duly appointed members of the Board shall serve without compensation, but may be reimbursed for actual or commensurate cost of travel, lodging and incidental expenses while on official business of the Board in accordance with State law and the rules of the Board.

Ex-Officio Directors

- 3.15. The Mayor and members of the Tomball City Council who are not members of the Corporation shall be ex-officio Directors of the Corporation. In addition, the Mayor and the City Council of Tomball may appoint no fewer than four and no more than seven individuals, to serve as ex-officio Director(s) of the Corporation. Two of these appointments shall be the President of the Greater Tomball Area Chamber of Commerce and the President of Lone Star College-Tomball. Ex-officio Directors shall be given notice of all meetings of the Board, may participate in discussions at Board meetings, but shall not be entitled to vote on matters considered by the Board.

ARTICLE IV

OFFICERS

Officer Positions

- 4.01. The officers of the Corporation shall be a president, a vice president, a secretary, and a treasurer. The Board of Directors may create additional officer positions, define the authorities and duties of such additional positions and appoint persons to fill such positions. No person may hold more than one such office.

Election and Terms of Officers

- 4.02. The officers of the Corporation shall be elected annually by the Board of the Directors at the regular annual meeting.

Removal of Officers

- 4.03. Any officer may be removed by the Board of Directors at any time, with or without cause. The removal of an officer by the Board does not result in the removal of such person as a Director of the Corporation.

Vacancies

- 4.04. A vacancy in any office may be filled by the Board of Directors for the unexpired portion of the officer's term.

President

- 4.05. The president shall be the chief executive officer of the Corporation. The president shall supervise and control all of the business and affairs of the Corporation. The president shall preside at all meetings of Board of Directors. When the execution of any contract or installment shall have been authorized by the Board, then the president shall execute same except where such power is expressly delegated to another officer of the Corporation. The president shall perform other duties prescribed by the Board and all duties incident to the office of president.

Vice President

- 4.06. When the president is absent, is unable to act, or refuses to act, the vice president shall perform the duties of the president. When acting in place of the president, the vice president shall have all the powers and duties as the president and be subject to all of the limitations and restrictions placed upon the president.

Secretary

- 4.07. The secretary shall oversee that the Corporation staff perform the following duties:

- (a) Give all notices as provided in the Bylaws or as required by law.

- (b) Take minutes of the meetings of the Board of Directors and keep the minutes as part of the corporate records.
- (c) Maintain custody of the corporate records, authenticate corporate documents and affix the seal of the Corporation as required.
- (d) Keep a register of the mailing address of each Director and officer of the Corporation.
- (e) Perform duties as assigned by the president or Board of Directors.
- (f) Perform all duties incident to the office of secretary.

Treasurer

4.08. The treasurer shall oversee that the Corporation staff perform the following duties:

- (a) Have charge and custody of and be responsible for all funds and securities of the Corporation.
- (b) Receive and give receipts for moneys due and payable to the Corporation from any source.
- (c) Deposit all moneys in the name of the Corporation in banks, trust companies, or other depositories as provided by these Bylaws.
- (d) Write checks and disburse funds to discharge obligations of the Corporation.
- (e) Maintain the financial books and records of the corporation.
- (f) Prepare financial reports at least annually.
- (g) Perform other duties as assigned by the Board of Directors.
- (h) Perform all duties incident to the office of treasurer.

Assistant Officers

4.09. The following assistant officers are created to assist the Board of Directors in the conduct of the affairs of the Corporation. They are the Assistant Treasurer and the Assistant Secretary, who shall assist those officers in their respective duties. The assistant officers are not required to be residents of the City.

Administration; Executive Director

4.10. The Board shall appoint an administrative and executive officer of the Corporation who shall be responsible to the Board for the administration of all the affairs of the Corporation. The Executive Director shall serve at the will of the Board.

- (a) The Executive Director shall perform and direct the daily administrative operations of the Corporation by preparing economic development policy, implementing planning, developing and managing goals and objectives, preparing and administering the budget, providing technical assistance to area businesses and to the City Council and City Manager, meeting with

various agencies and the public, attending local organizational meetings, assisting new and existing firms with financing and capital from various sources, attending City Council meetings and preparing reports as required.

- (b) The Executive Director shall have the authority to employ, review and terminate individuals to fill staff positions that have been approved by the Board of Directors.
- (c) The Executive Director shall be reviewed by the Board of Directors on an annual basis.
- (d) The Executive Director shall receive compensation as may be fixed by the Board.

ARTICLE V

TRANSACTIONS OF THE CORPORATION

Contracts

- 5.01. The Board of Directors may by formal action or resolution authorize an officer or agent of the Corporation to enter into a contract or execute and deliver any instrument in the name of or on behalf of the Corporation. This authority may be limited to a specific contract or instrument or it may extend to any number and type of contracts and instruments.

Depository

- 5.02. The Board of Directors of the Corporation shall designate a depository bank. All funds of the Corporation shall be deposited with the depository bank.

Potential Conflicts of Interest; Code of Ethics

- 5.03. The members of the Board of Directors shall be governed by the Code of Ethics of the City of Tomball, Texas. If a Director has a substantial interest in a business entity or real property that is the subject of deliberation by the Board, the Director shall file an affidavit with the secretary of the corporation stating the nature and extent of the interest. Such affidavit shall be filed prior to any vote of decision upon the matter by the Board, and the interested Director shall abstain from any vote or decision upon the matter.

Transactions of the Corporation; Annual Work Plan and Performance Evaluation

- 5.04. The Board of Directors shall direct the Corporation staff to research, develop, prepare and submit to the City Council for its approval an annual work plan that 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 City; goals and objectives for the utilization of funds to promote the expansion and

development of a sound economic base for and within the City; and any other similar goals and objectives deemed appropriate by the Board and the City Council. The Board shall review and update the plan each year prior to the submission of the annual budget as required by other provisions of these Bylaws. In addition, the Board shall accompany each subsequent work plan following the initial work plan with a performance evaluation detailing the Board's achievements of its prior goals and objectives during the course of the previous fiscal year. Any reports outlining the activity of the Corporation for that quarter shall be submitted in writing by the Board for review by the City Council as desired by the City Council.

Annual Corporation Budget

- 5.05. The Board shall prepare a proposed annual 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. The proposed budget shall be submitted to the City Council within a time frame to be specified by the City Manager for inclusion in the City's annual budgeting process.

Limitations on Expenditures

- 5.06. Any expenditure of funds not approved by the City Council in the annual budget must be submitted within 30 days to the City Council for consideration.

Staff Support

- 5.07. The Corporation may contract with the City to provide legal, financial and other services for the Corporation upon terms, conditions and compensation as mutually agreeable.

Gifts

- 5.08. The Board of Directors may accept on behalf of the Corporation any gift or bequest provided for the general purposes of or for any special purpose of the Corporation. Special funds shall include all funds from government contracts and gifts designated by a donor for special purposes. All other funds shall be general funds.

Prohibited Acts

- 5.09. As long as the Corporation is in existence, no director, officer or committee member of the Corporation shall:
- (a) Do any act in violation of the Bylaws or bidding obligations of the

- Corporation.
- (b) Do any act with the intention of harming the Corporation or any of its operations.
 - (c) Do any act that would make it impossible or unnecessarily difficult to carry on the intended or ordinary business of the Corporation.
 - (d) Receive an improper personal or business benefit from the operation of the Corporation.
 - (e) Use the assets of the Corporation, directly or indirectly, for any purpose other than carrying on the business of the Corporation.
 - (f) Wrongfully transfer or dispose of Corporation property, including intangible property such as goodwill.
 - (g) Use the name of the Corporation (or any substantially similar) or any trademark or trade name adopted by the Corporation, except on behalf of the Corporation in the ordinary course of the Corporation's business.
 - (h) Disclose any of the Corporation business practices, trade secrets or any other information not generally known to the business community to any person not authorized to receive it.
 - (i) Commit Corporation funds without the prior approval of the Board of Directors.

ARTICLE VI

BOOKS AND RECORDS

Required Books and Records

- 6.01. The Corporation shall cause to be kept correct and complete books and records of account. All books and records of the Corporation may be inspected by Directors of the Corporation at any reasonable time. The Corporation's books and records shall include:
- (a) A file endorsed copy of all documents filed with the Texas Secretary of State relating to the Corporation, including, but not limited to, the articles of incorporation, any articles of amendment, restated articles, and statement of change of registered office or agent.
 - (b) A copy of the Bylaws, and any amended versions or amendments to the Bylaws.
 - (c) Minutes of the proceedings of the Board of Directors.
 - (d) A list of names and addresses of the Directors and officers of the Corporation.
 - (e) A financial statement showing the assets, liabilities, and net worth of the Corporation.
 - (f) A financial statement showing the income and expenses of the Corporation.
 - (g) All rulings, letters, and other documents relating to the Corporation's federal, state and local tax status.

- (h) The Corporation's federal, state and local information or income tax returns for each of the Corporation's tax years.

Public Information

- 6.02. The Board of Directors is subject to the public information law, Chapter 552, Government Code.

Audits

- 6.03. The Board of Directors shall provide for an independent annual audit of the Corporation's books; provided, further, that an annual audit by the City Council of the Corporation's books and records in conjunction with the annual audit of the City's books and records shall be sufficient.

ARTICLE VII

FISCAL YEAR

The fiscal year of the corporation shall begin on the first day of October and end on the last day of September.

ARTICLE VIII

AMENDMENTS TO BYLAWS

The Bylaws may be altered, amended, or repealed by the Board of Directors with the consent of the City Council of the City of Tomball, Texas, as evidenced by a resolution of the City Council with the Bylaws attached.

ARTICLE IX

MISCELLANEOUS PROVISIONS

Legal Authorities Governing Construction of Bylaws

- 9.01. To the greatest extent possible, these Bylaws shall be construed to conform to all legal requirements for obtaining and maintaining all tax exemptions that may be available to nonprofit corporations. Further, the Bylaws shall be constructed in accordance with the laws of the State of Texas. All references in the Bylaws to statutes, regulations, or other sources of legal authority shall refer to the authorities cited, or their successors, as they may be amended from time to time. It is expressly provided that the provisions of the Development Corporation Act applicable to corporations governed under Chapter 505 of the Texas Local Government Code, are incorporated within these Bylaws by reference. In the event of any conflict between the applicable provisions of the Development Corporation Act and these Bylaws, then the applicable provisions of such Act

shall control.

Legal Construction

- 9.02. 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.

Headings

- 9.03. The headings used in the Bylaws are used for convenience and shall not be considered in constructing the terms of the Bylaws.

Seal

- 9.04. The Board of Directors may provide for a corporate seal. Such seal would contain the words "Tomball Economic Development Corporation".

Parties Bound

- 9.05. The Bylaws shall be binding upon and inure to the benefit of the Directors, officers and agents of the Corporation and their respective heirs, executors, administrators, legal representatives, successors and assigns except as otherwise provided in the Bylaws.

Effective Date

- 9.06. These Bylaws, and any subsequent amendments, hereto, shall be effective of and from the date upon which approval has been given both by the Board of Directors and the City Council of the City of Tomball, Texas.

Miscellaneous Provisions

- 9.07. To the extent permitted by law, the Corporation shall indemnify any Director or officer or former Director or officer of the Corporation for the expenses and costs, including attorney fees, actually and necessarily incurred by said officer or director in connection with any claim asserted against said officer or director by action in court or otherwise by reason of such person being or having been a director or officer, except in relation to matters as to which said person shall have been guilty of negligence or misconduct in respect of the matter in which indemnity is sought.

Corporation May Provide Insurance

- 9.08. The Corporation may purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Corporation to insure such person against any liability asserted against said person by reason of such person being or having been a director, officer, employee or agent of the Corporation. The premiums for such insurance shall be paid for by the Corporation.

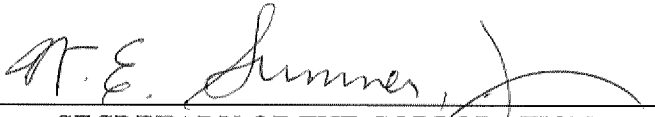
Dissolution of the Corporation

- 9.09. The Corporation is a nonprofit corporation. Upon dissolution, all of the Corporation's assets shall be distributed to the City of Tomball.

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting secretary of the TOMBALL ECONOMIC DEVELOPMENT CORPORATION, and the foregoing Bylaws constitute the Bylaws of the Corporation. These Bylaws were duly adopted at a meeting of the Board of Directors held on the 21 day of February, 2012, and subsequently approved and ratified by the City Council of the City of Tomball, Texas, at a meeting held on the 5 day of March 2012.

Signed this 15 day of March, 2012.



SECRETARY OF THE CORPORATION