

**AMENDED BYLAWS  
OF  
GONZALES ECONOMIC DEVELOPMENT CORPORATION**

**ARTICLE I  
PURPOSE AND POWERS**

Section 1. Purpose. The Gonzales Economic Development Corporation (hereinafter referred to as the “Corporation”) is incorporated for the purposes set forth in Article 5 of its Articles of Incorporation (hereinafter referred to as the “Certificate of Formation”), the same to be accomplished on behalf of the City of Gonzales, Texas, a Texas municipal corporation (hereinafter referred to as the “City”) as its duly constituted authority and instrumentality in accordance with the Development Corporation Act, chapters 501 to 505 of the Texas Local Government Code, as amended, (hereinafter referred to as the “Act”), and other applicable laws.

Section 2. Powers. In the fulfillment of its corporate purpose, the Corporation shall be governed by Chapter 505 of the Act, and shall have all of the powers set forth and conferred in its Certificate of Formation, 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**

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 (hereinafter referred to as the “Board”) and, subject to the restrictions imposed by law, by the Certificate of Formation, 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 the City Council (hereinafter referred to as the “City Council”) of the City.

(c) As stated in the Certificate of Formation, at least three (3) directors cannot be City employees, officers, or members of the City Council.

(d) The directors constituting the first Board shall be those directors named in the Certificate of Formation. The respective initial terms of the Board are set forth in the Certificate of Formation. Thereafter, each successor member of the Board shall be appointed and serve for two (2) years or until his or her successor is appointed as hereinafter provided.

(e) No member of the Board shall serve more than three (3) consecutive full terms.

(f) Any director may be removed from office by the City Council at any time without cause.

- (g) Each director must reside within the City of Gonzales or Gonzales County.

Section 2. Regular and Special Meetings of Directors. The Directors shall hold their Regular meetings at such place or places within the City limits 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. Special meetings of the Board shall be held whenever called by the President, or by a majority of the directors. Any and all Special meetings shall likewise be held within the City limits. The person or persons 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 electronically to each director not less than seventy-two (72) hours before the time of the meeting.

Section 3. Notice and Open Meetings Act. The Board shall be considered a “governmental body” within the meaning of section 551.001 of the Texas Government Code, as amended, and notice of each meeting and deliberation shall be given to the public in accordance with the provisions of Chapter 551 of the Texas Government Code (the Texas Open Meetings Act), as amended.

Section 4. Quorum and Voting. A majority of the directors 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. A director may not vote by proxy. Directors must be present in order to vote at any meeting. Regular attendance at the Board meetings is required of all directors.

Section 5. Absences. The following number of absences shall constitute the basis for replacement of a director. Three (3) consecutive unexcused absences from meetings of the Board shall cause the position to be considered vacant. In addition, attendance reflecting absences constituting fifty percent (50%) of the meetings over a 12-month period. In the event replacement is indicated, the member will be counseled by the President, and subsequently the President shall submit in writing to the City Secretary the need to replace the Board member in question.

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, and in the absence of the President, the Vice President shall exercise the powers of the President.

(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 not more than three (3) directors to constitute an official committee of the Board, with such other non-Board members of the committee as may be appointed by 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. They shall be reimbursed, however, for actual expenses incurred in the performance of their duties hereunder.

Section 9. Board's Relationship with the City. In accordance with state law, the Board shall be responsible for the proper discharge of its duties assigned herein. The Board shall determine its policies and directives within the limitations of the duties herein imposed by applicable laws, the Certificate of Formation, these Bylaws, contracts entered into with the City, and budget and fiduciary responsibilities. The Board and the City shall enter into a Services Agreement that details the responsibilities of each. Consistent with Section 501.073 of the Act, all expenditures of the Corporation require approval of the City Council.

### **ARTICLE III OFFICERS**

Section 1. Titles and Term of Office.

(a) The officers of the Corporation shall be a President, a Vice President, a Secretary and a Treasurer, 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 President shall not hold the office of Secretary. Terms of office shall be one (1) year with the right of an officer to be re-elected.

(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. President. The President shall be a member of the Board, shall preside at all meetings of the Board, and may sign and execute contracts and other legal instruments in the name of the Corporation as approved by the Board.

Section 3. Vice President. The Vice President shall be a member of the Board and shall exercise the powers of the President during that officer's absence or inability to act. 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. Treasurer. The Treasurer shall be a member of the Board 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 and statutes governing corporations formed under the Act. Upon the approval of the Board, the Treasurer may endorse and sign, on behalf of the Corporation, for collection or issuance, checks, notes and other obligations in or drawn upon such bank or banks or depositories as shall be designated by the Board consistent 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 City Council may require that the Treasurer, at the expense of the Corporation, give a bond for the faithful discharge of his duties in such form and amount as the City Council may require.

Section 5. Secretary. The Secretary shall be a member of the Board, and 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 President upon the approval of the Board in the name of the Corporation, and/or attest to 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 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, and shall in general perform all duties incident to the office of Secretary subject to the control of the Board.

Section 6. Assistant Secretary and/or Treasurer. Any assistant secretaries and assistant treasurers may, at the option of the Board, be persons other than members of the Board, but they may be employees of the City.

Section 7. Compensation. Board members shall be reimbursed for actual expenses incurred in the performance of their duties hereunder, as are approved by the Board.

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

Section 1. Annual Corporate Budget. At least forty-five (45) days prior to the commencement of each fiscal year of the Corporation (which is co-extensive with the City's fiscal year), the Board shall adopt a proposed budget of expected revenues and proposed expenditures of 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 for inclusion with the annual budget submitted to the City Council. The budget shall not be effective until the same has been approved by the City Council.

Section 2. 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) The books, records, accounts, and financial statements of the Corporation may be maintained by the Corporation. In the event the books, records, accounts, and financial statements of the Corporation are maintained by the City, the Corporation shall pay to the City reasonable compensation for such services.

(c) The City may cause the Corporation's 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. Such audit shall be at the expense of the Corporation.

Section 3. Deposit and Investment of Corporate Funds.

(a) All proceeds from the issuance of bonds, notes, or other debt instruments (hereinafter referred to as "Obligations") issued by the Corporation shall be deposited and invested as provided in the resolution, order, indenture, or other documents authorizing or relating to the 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 City. The Treasurer shall designate the accounts and depositories to be created and designated for such purposes, and the methods of withdrawal of funds there from for use by and for the purposes of the Corporation upon the signature of its Treasurer and the Mayor. The accounts, reconciliation, and investment of such funds and accounts shall be performed by the City. The Corporation shall pay reasonable compensation for such services by the City.

Section 4. Expenditures of Corporate Money. The monies of the Corporation, including, but not limited to, sales and use taxes collected pursuant to Chapter 505 of the Act, monies derived from the repayment of loans, rents received from the lease or use of property, proceeds from the investment of funds of the Corporation, proceeds from the sale of property, and proceeds derived from the sale of Obligations, may be expended by the Corporation for any of the purposes authorized by the Act and approved by the voters at the election approving the sales tax, 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 to and approved by the City Council prior to the sale and delivery of the Obligations to the purchasers thereof required by Section 5 of this Article;

(b) 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 the Projects, as defined herein. 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 City Council;

(c) Before expending funds to undertake a project, a public hearing shall be held on the proposed project when required by the Act.

(d) All other proposed expenditures shall be made in accordance with and shall be set forth in the annual budget required by Section 1 of this Article.

(e) Except as otherwise provided herein, consistent with Section 501.073 of the Act all expenditures of the Corporation require approval of the City Council. Notwithstanding the forgoing, for any expenditure costing Twenty-Five Thousand and No/100 Dollars (\$25,000.00) or less, the Board has sole approval authority and may begin making expenditures sixty (60) days subsequent to the date that the published notice is published if required by Section 505.160 of the Act. For any expenditure costing Twenty-Five Thousand and 01/100 Dollars (\$25,000.01) or more, the City Council shall also approve the Project by majority vote.

Section 5. Issuance of Obligations. No Obligations, including refunding Obligations, shall be sold and delivered by the Corporation unless the City Council shall approve such Obligations by action taken no more than sixty (60) days prior to the date of sale of the Obligations.

Section 6. Contracts for Service. The Corporation may contract with any qualified and appropriate person, association, corporation or governmental entity to perform and discharge designated tasks which will aid or assist the Board in the performance of its duties. Such designated tasks may include, but not be limited to, project conceptualization/feasibility studies and project analysis. These contracts (i) shall not be considered “projects” under this Article, and (ii) shall not require the public hearings provided by Section 4(c) of this Article. Furthermore, no such contract shall ever be approved or entered into which seeks or attempts to divest the Board of its discretion and policy-making functions in discharging the duties herein set forth. An administrative services agreement may be executed between the Board and the City Council for the services provided and compensated as provided for herein.

## **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 Certificate of Formation.

(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 City.

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

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, if no time be specified, at the time of its acceptance by the City Council. The acceptance of a 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 a certified copy of a resolution, order, or motion duly adopted by the City Council.

Section 6. Services of City Staff and Officers. Subject to approval from the City Council, the Corporation shall have the right to utilize the services of the City Attorney, the City Secretary, and departments of the City, provided (a) that the Corporation shall pay reasonable compensation to the City for such services, and (b) the performance of such services does 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, 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, its employees, its attorneys, 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 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.

Section 8. Legal Construction. These Bylaws shall be construed 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 Act applicable to corporations governed under Chapter 505 of the Act are incorporated within these Bylaws by reference. In the event of any conflict between the applicable provisions of such Act and these Bylaws, then the applicable provisions of the Act shall control.

Section 9. Severability. If any provision or section of these Bylaws 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.

Section 10. Headings. The headings used in these Bylaws are used for convenience only and shall not be considered in construing the terms of the Bylaws.

Section 11. Parties Bound. 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 herein.

Section 12. Applicability of City Policies and Procedures. All duly approved City policies and procedures shall apply directly to the Corporation and the Board unless such policies or procedures are superseded by state law or are not related to the functions of the Board. The Board has the discretion, subject to the approval of the City Council, to adopt other policies and procedures in addition to or in place of those policies and procedures of the City.

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

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

- (a) the recommendation of these Bylaws to the City Council;
- (b) the approval of these Bylaws by the City Council; and
- (c) the approval and adoption of these Bylaws by the Board.

Section 2. Amendments to Certificate of Formation and Bylaws. The Certificate of Formation of the Corporation and these Bylaws may be amended only in the manner provided in the Act.



**CERTIFICATE OF SECRETARY**

I certify that I am the duly elected and Secretary of the Gonzales 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 this the \_\_\_\_ day of \_\_\_\_\_, 2018, as approved by the City Council of the City of Gonzales, Texas, at a meeting held on the \_\_\_\_ day of \_\_\_\_\_, 2018.

Signed this \_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
Secretary of the Corporation