

STATE OF TEXAS §
COUNTY OF BEXAR §

KNOW ALL BY THESE PRESENTS:

**BYLAWS
OF
OLMOS PARK ECONOMIC DEVELOPMENT CORPORATION**

These Bylaws of Olmos Park Economic Development Corporation (the "Bylaws") govern the affairs of the Olmos Park Economic Development Corporation (the "Corporation"), a public instrumentality and a nonprofit corporation created under Section 4B of the Development Corporation Act of 1979, Article 5190.6 of the Revised Civil Statutes of Texas (the "Act").

Article One. Purpose

1.01 The Corporation is organized exclusively for the purpose of benefiting and accomplishing public purposes of the City of Olmos Park, Texas (the "City") by promoting, assisting, and enhancing economic development activities for the City as provided by the Act. The Corporation has no members and is a non-stock corporation.

Article Two. Registered Office and Agent

2.01 The registered office of the Corporation shall be maintained at 119 W. El Prado, Olmos Park, Bexar County, Texas, where the Corporation shall maintain a registered office and the registered agent as provided in the Act. The Board of Directors is authorized to establish additional offices and to change the location of any office of the Corporation, including the registered offices, which may be changed at any time by the Board of Directors but shall at all times be within the city limits of the City of Olmos Park.

Article Three. Board of Directors

3.01 Management of the Corporation and General Powers. The affairs of the Corporation shall be managed by a Board of Directors appointed by the Olmos Park City Council. All voting rights will be exercised by resolution or minute order, and shall be vested solely in the Board, whose members shall serve without compensation. In addition to the powers and authorities expressly conferred upon them by these Bylaws, the Board of Directors may exercise all such powers of the Corporation and do all lawful acts and things as are permitted by the Act, by the Articles of Incorporation, or by these Bylaws.

3.02 Composition. The Board shall be composed of seven (7) directors who shall serve at the pleasure of the City Council. Directors may be selected based on interest in the work of the Corporation, special expertise, and civic services. All directors must be residents of the City. A member of the City Council may serve on the Board and still be a member of the City Council. The Mayor and up two council members may serve on the Board at the same time.

3.03 Terms of Office. Three of the initial members of the Board shall be appointed to terms ending December 31, 2009 and four of the initial members of the Board shall be appointed to terms ending December 31, 2010. After the initial appointments, Board members shall be appointed for a term of 2 years, expiring on December 31 of odd-numbered and even numbered years, respectively. Directors may be appointed to succeed themselves.

3.04 Vacancies. Any vacancy occurring in the Board of Directors will be filled by appointment by the Olmos Park City Council. The replacement director shall serve the remainder of the term to which the replacement director is appointed to fill.

3.05 Board Attendance. Unless special consideration is granted by the Board to accommodate directors who are temporarily inactive for good cause, any director who is absent from three consecutive regular or special meetings of the Board may, by vote of the Board, be asked to resign.

3.06 Duties of Directors. Directors shall exercise ordinary business judgment in managing the affairs of the Corporation. Directors shall act as fiduciaries with respect to the interests of the citizens of Olmos Park. In acting in their official capacity as directors of this Corporation, directors shall act in good faith and take actions they reasonably believe to be in the best interests of the Corporation and that are not unlawful. In all other instances, the Board of Directors shall not take any action that they should reasonably believe would be opposed to the Corporation's best interests or would be unlawful. A director shall not be liable if the director acts in good faith relying on written financial and legal statements provided by an accountant or attorney retained by the Corporation.

3.07 Limitations. Any expenditure in excess of \$5,000.00 by the Corporation must first be submitted to and approved by the Olmos Park City Council. The Corporation may not knowingly authorize separate, sequential, or component purchases to avoid the expenditure limits of this section. The Board must act upon, and may approve any expenditure not requiring city council approval under this section in the manner provided by Section 3.01.

Article Four. Officers

4.01 The officers of the Corporation shall be a President, Vice-President, Secretary and Treasurer of the Board. All officers shall be members of the Board. Any two or more offices may be held by the same person except the offices of President and Secretary which may not be held by the same person. The officers shall have all powers specified in the Bylaws, as amended from time to time, and all powers authorized under the Act and the Texas Business Organizations Code or its successor statute.

4.02 Election and Terms of Office. The initial officers shall be elected by the Board as soon as practicable. Thereafter, the officers of the Corporation shall be elected annually at the first board meeting of each calendar year and assume their duties immediately. If the election of

officers is not held at the first meeting of the calendar year, it shall be held as soon thereafter as conveniently possible. Each officer shall hold office until a successor is duly elected and qualified. Vacancies in officer positions may be filled by the Board of Directors for their unexpired position of the officer's term.

4.03 President. The President shall be chief executive officer of the Corporation and voting member of the Board. The President shall generally supervise and facilitate all of the business and affairs of the Corporation and shall preside at all meetings of the Board of Directors. The President shall perform all duties incident to the office and other duties prescribed from time to time by the Board of Directors. The President may execute deeds, mortgages, bonds, contracts, or other instruments that the Board of Directors has authorized to be executed subject to the requirements of Section 3.07 hereof. Members of all standing and other committees should be nominated by a Board Member and then approved by a vote of the Board of Directors.

4.04 Secretary. The Secretary shall be the custodian of the corporate records. The Secretary shall record and keep or cause to be recorded and kept all votes and minutes of the meetings of the Board. The Secretary shall further give or cause to be given notice of all meetings of the Board of Directors and its committees, and shall perform such other duties as may be prescribed by the Board of Directors or President.

4.05 Vice President. Any Vice President shall perform such duties as assigned by the Board of Directors or the President. In the absence of the President, or if the President is unable or refuses to act, the Vice President with the most seniority on the Board shall perform the duties of President and have all the powers and be subject to all the restrictions of that office.

4.06 Treasurer. The Treasurer shall see that proper and accurate accounts are kept of the financial condition of the Corporation and that proper books are maintained for their orderly entry. The Treasurer shall insure that the financial policies adopted by the Board are duly followed and that an independent audit is made of the accounts of the Corporation at the end of each fiscal year. The Treasurer shall report on the financial condition of the Corporation at each regular meeting of the Board and shall perform any other duties the Board of Directors or President assigns from time to time. Disbursements of the funds of the Corporation shall be by check, and all checks shall be signed in a manner consistent with the guidelines approved by the Board of Directors. All persons authorized to disburse or manage the funds of the Corporation shall be bonded in such sum as the Board of Directors may require.

Article Five. Staff

5.01 The Board of Directors may enter into contracts with or engage independent contractors to provide bookkeeping, accounting, legal, or other professional services to the Corporation subject to the requirements of Section 3.07 hereof. Absent Board approval, no officer or Director may consult with or hire an independent contractor on the Corporation's behalf. The Board shall adopt procedures specifying the manner by which its officers and directors may contact or consult with independent contractors on official business. Except for matters arising from an

act prohibited by Sections 8.06 and 8.07 hereof, and in the event of a conflict of interest, the Board may approve the expenditure of funds with independent contractors on behalf of individual officers and directors.

5.02 The Board of Directors may not employ any person as an employee unless the position for which the person is employed has been approved by the City Council prior to the employment of the person.

5.03 Subject to approval of the City Council, an Executive Director may be appointed by the Board of Directors. If an Executive Director is appointed, the Executive Director shall be the chief administrative officer of the Corporation and, subject to the supervision of the Board, shall perform such duties as may be incident to his or her office or specifically delegated to him or her by the Board. The Executive Director shall serve at the pleasure of the Board and receive such compensation as the Board may determine from time to time, provided that the initial compensation of the Executive Director and any increases in such compensation must be approved by the City Council. The Executive Director, as chief administrative officer, shall be responsible for policy and program implementation and for all operations of the Corporation, including hiring, supervising, and dismissing employees as well as defining and assigning their work. The Executive Director shall be a non-voting, ex-officio member of any committees created by the Board of Directors. The Executive Director shall compile and submit to the Board regular reports and recommendations regarding the programs, policies, and business affairs of the Corporation.

Article Six. Committees

6.01 Committees Authorized. The Board of Directors may establish and delegate specified authority to additional standing and ad hoc committees from time to time by nomination and vote. A committee may include persons who are not directors of the Corporation. The Board of Directors may establish qualifications for membership on a committee, but the chair and all members of each committee shall be appointed by the President and confirmed by the Board.

In addition, the Board of Directors may authorize subcommittees from time to time and charge them with clear and specific duties. Subcommittees will operate under the general rules governing the Board committees and the general oversight of the committee chair and of the President.

The establishment of a committee shall not relieve the Board of Directors, or any individual director, of any responsibility imposed by the Bylaws or otherwise imposed by law. No committee shall have the authority of the Board of Directors to:

- a. Amend the articles of incorporation;
- b. Adopt a plan of merger or a plan of consolidation with another corporation;
- c. Authorize the sale, lease, exchange, or mortgage of any of the property and assets of the Corporation;
- d. Authorize the voluntary dissolution of the Corporation;

- e. Revoke proceedings for the voluntary dissolution of the Corporation;
- f. Adopt a plan for the distribution of the assets of the Corporation;
- g. Amend, alter, or repeal the Bylaws;
- h. Elect, appoint, or remove a member of a committee or director or officer of the Corporation;
- i. Approve any transaction to which the Corporation is a party or undertake any action that involves a potential conflict of interest as defined in Section 8.06 hereof;
- j. Take any action outside the scope of authority delegated to it by the Board of Directors;
- k. Take final action on a matter that requires the approval of the Board of Directors;
- l. Commit corporate funds without the prior approval of the Board of Directors;
- m. Undertake any other matters appropriate to the authority of the Board of Directors.

6.02 Committee Terms. The members of each standing committee shall serve until successors are appointed by an incoming President, unless the committee is terminated or a member is removed, resigns, or ceases to qualify as a member. Vacancies on committees may be filled in the same manner as the original appointment.

6.03 Rules. Each committee or subcommittee may adopt rules for its own operation not inconsistent with the Bylaws or with rules adopted by the Board of Directors.

Article Seven. Meetings

7.01 Regular Meetings. The Board of Directors shall provide for at least one annual meeting which shall be held during January or February of each calendar year. The meeting shall be held at a time and place convenient to Board members and designated by the Board President. Other meetings shall be held at times and dates determined by the Board.

7.02 Special Meetings. Special meetings of the Board of Directors may be called by the President of the Corporation, by the Mayor of the City, or upon written request of at least three directors. Any notice of a special meeting shall contain a summary of the business or proposals to be brought before the special meeting. Should a director's request for a special meeting be submitted to the President by three directors, the President shall determine and notify all directors in writing of the date, time, and place of the special meeting.

7.03 Notice. Written or printed notice of each meeting of the Board of Directors shall be delivered to each director by mail, fax, electronic mail, in person, or other means not less than three days before the date of the meeting. If mailed, a notice shall be deemed to be delivered when deposited in the United States mail addressed to the person at his or her address as it appears in the records of the Corporation, with postage paid. The notice shall state the place, day, time, and subjects of the meeting. Attendance of a director at a meeting shall constitute a waiver of notice of that meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

7.04 Quorum. Four directors currently serving shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

7.05 Action of Board of Directors. The vote of a majority of the directors present and voting at a meeting at which a quorum is present shall be sufficient to constitute the act of the Board of Directors.

7.06 Proxies. A director may not vote by proxy.

7.07 Open Meetings. All meetings and deliberations of the Board shall be called, convened, held, and conducted in accordance with the Texas Open Meetings Act, Section 551.001, et seq., Texas Government Code, as amended.

7.08 Agenda. In order to assure that public business is timely considered, any director may request an item of business be placed on the agenda for a meeting. Specific agenda requests submitted by two directors shall be placed on the agenda without objection.

Article Eight. Corporate Activities

8.01. The Board of Directors shall develop, prepare, and submit to the City 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 City. The Board shall review and update the plan each year prior to submission of the annual budget 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. Except as required by law, or these articles, individual items of board business may only be submitted to the City Council with Board approval.

8.02 Annual Corporate Budget. At least 60 days prior to the commencement of each fiscal year of the Corporation, the President shall file with the City Secretary 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 Board shall discuss, modify, if necessary, and then adopt the budget. The budget shall not be effective until the same has been approved by the City Council.

8.03 Deposit and Investment of Corporate Funds. All funds of the Corporation shall be deposited, secured, and/or invested in the manner provided for the deposit, security, and for investment of the public funds of the City of Olmos Park or as otherwise required by applicable law or under the terms of any bonds, notes, or other debt instruments issued by the Corporation. The Board 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 treasurer and such other members as the Board shall

designate. The Board shall also provide for the reconciliation and investment of such funds and accounts. If agreed to by separate contract between the City and the Corporation, the accounts, reconciliation, and investment of such funds and accounts may be performed by the City. The Corporation shall pay reasonable compensation for such services to the City.

8.04 Contracts. The Board of Directors may, by official action as specified herein, authorize any officer or agent of the Corporation to enter into a contract or execute and deliver any instrument in the name of and 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 possible contracts and instruments. In the absence of authority to the contrary, the President is authorized to execute Board-approved contracts on behalf of the Corporation subject to the requirements of Section 3.07.

8.05 Gifts. 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.

8.06 Potential Conflicts of Interest. The provisions of Chapters 171 and 176 of the Texas Local Government Code are applicable to the Corporation and to the members of the Board of Directors.

8.07 Prohibited Acts. As long as the Corporation is in existence, no director, officer, of committee member of the Corporation shall:

- a. Do any act in violation of the Bylaws or a binding obligation of the Corporation;
- b. Do any act with the intention of harming the Corporation nor 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 tangible property such as good will;
- g. Use the name of the Corporation (or any substantially similar name) 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 Nine. Books. Records. Audits

9.01 Maintenance of Records. 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. In addition to proper financial records, the Corporation shall keep correct and complete minutes of all Board and committee meetings and all records required by the City, by contracting agents, or by funding sources.

9.02 Compliance with State Law. All records shall be kept and administered in accordance with the Public Information Act, Section 552.001, et seq., Texas Government Code, as amended.

9.03 Inspection. Any member of the City Council of the City and any director or officer of the Corporation may inspect and receive copies of all books and records of the Corporation required to be kept by the Bylaws. Any person entitled to inspect and copy the Corporation's books and records may do so through his or her attorney or other fully authorized representative. The Board of Directors may establish reasonable fees for copies of the Corporation's books and records.

9.04 Audits. The Corporation shall cause its books, records, accounts, and financial statements, and all other activities for the previous fiscal year, to be audited at least once each fiscal year by an outside independent certified public accounting firm selected by the Corporation and approved by the City Council. Each audit shall be prepared and submitted annually to the Board of Directors and to the Olmos Park City Council. Any such audit shall be performed at the expense of the Corporation.

Article Ten. Fiscal Year

10.1. The fiscal year of the Corporation shall run concurrently with the fiscal year of the City, beginning on the first day of October and ending on the last day of September in each year.

Article Eleven. Amendments to Bylaws

11.01 The Board of Directors, by the affirmative vote of a majority of the Board, may alter, amend, or repeal the Bylaws or adopt new Bylaws at any regular meeting, or any special meeting provided that notice be given not less than three days prior to such meeting and that such notice contain a copy of the proposed amendment or amendments. Said amendments shall be effective only upon approval by the Olmos Park City Council.

11.02 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 Twelve. Indemnification and Insurance

12.01 Corporation to Indemnify. The Corporation shall indemnify any director or officer or former director or officer of the Corporation against judgment, penalties (including excise and similar taxes), fines, settlements, and reasonable expenses, including court costs and attorneys' fees actually incurred by such person in connection with any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, arbitrative, or investigative, any appeal in such action, suit, or proceeding, and any inquiry or investigation that could lead to such an action, suit, or proceeding, in which such person was or is threatened, to be named defendant or respondent because of being or having been such director or officer or because of serving or having served in such capacity at the request of the Corporation, in which case indemnification shall be limited to reasonable expenses actually incurred by the person in connection with such action, suit, or proceeding, if the person (1) conducted himself in good faith, (2) believed, in the case of conduct in his official capacity as director or officer of the Corporation, that his conduct was in the Corporation's best interest, and, in all other cases, that his conduct was at least not opposed to the Corporation's best interest, and (3) in the case of any criminal proceeding, had no reasonable cause to believe his conduct was unlawful.

Such person may not be indemnified for obligations resulting from such action, suit, or proceeding in which the person is found liable on the basis that personal benefit was improperly received by him, whether or not the benefit resulted from an action taken in the official capacity of the person; provided, however, that nothing in this Article shall be construed to limit the protection or the rights afforded any director or officer or former director or officer entitled to indemnity under the Corporation's articles of incorporation or bylaws (as either may be amended from time to time) or under any agreement, insurance policy, or vote of the Board of Directors, or otherwise. In this Article, "official capacity" shall, when used with respect to a director, mean the office of director in the Corporation, and shall, when used with respect to a person other than a director, mean the elective or appointive office in the Corporation held by the officer. Indemnification in all cases not provided for in this Article shall be governed by the laws of the State of Texas, as they may be amended and in effect from time to time.

12.02 Corporation Will Provide Insurance. The Corporation will 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 by the Corporation.

Article Thirteen. Parliamentary Authority

13.01 Robert's Rules of Order, Newly Revised, shall be the parliamentary authority for all matters of procedure not specifically covered by the Bylaws or any specific rules of procedure adopted by the Board.

13.02 The Board may convene in a closed session during any portion of a public meeting as desired in order to consider the following matters as authorized by rulings of the Texas Attorney General and Texas Government Code Annotated Sections 551.071 (consultation with attorney), 551.072 (deliberations regarding real property), 551.073 (deliberations regarding prospective gift), 551.074 (personnel matters), 551.076 (deliberation regarding security devices), 551.087 (economic development), and 551.088 (deliberation regarding test item).

Article Fourteen. Dissolution of the Corporation

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

RESOLVED AND APPROVED BY THE BOARD OF DIRECTORS This _____ day of _____, 2018.

By: _____
Andrew R. Craig
President

ATTEST:

Donna McElroy
Secretary