

**BYLAWS OF THE
ROANOKE ECONOMIC AND INDUSTRIAL DEVELOPMENT CORPORATION**

**ARTICLE I
PURPOSE AND POWERS**

SECTION 1. REGISTERED OFFICE AND REGISTERED AGENT.

The Roanoke Economic and Industrial Development Corporation (the "Corporation") shall have and continuously maintain in the State of Texas a registered office, and a registered agent whose office is identical with such registered office, as required by the Texas Non-Profit Corporation Act, and state law. The Registered Agent for the Corporation shall be the City Manager, subject that the Board of Directors (the "Board") from time to time, may change the registered agent and/or the address of the registered office, subject to City Council approval, provided that such change is appropriately reflected in these Bylaws and in the Articles of Incorporation (the "Articles").

The registered office of the Corporation is located at 108 South Oak Street, Roanoke, Denton County, Texas 76262, and at such address is the Corporation, whose mailing address is 108 South Oak Street, Roanoke, Texas, 76262. Said address shall also serve as the principal office of the Corporation and Board.

SECTION 2. PURPOSE.

The Corporation is incorporated as a non-profit corporation for the purposes set forth in the Articles the same to be accomplished on behalf of the City of Roanoke, Texas (the "City") as its duly constituted authority and instrumentality in accordance with the Texas Development Corporation Act of 1979, Article 5190.6 Section 4A Tex. Rev. Civ. Stat., Ann. As amended, (the "Act"), other applicable laws, and City of Roanoke Ordinance No. 95-107, including all permissible projects prescribed by the Act. The Corporation shall be a non-profit corporation as defined by the Internal Revenue Code 1986, as amended and the applicable regulations of the United States Treasury Department and the rulings of the Internal Revenue Service of the United States prescribed and promulgated thereunder.

SECTION 3. POWERS.

In the fulfillment of its corporate purpose, the Corporation shall be governed by Section 4A of the Act, and shall have all of the powers set forth and conferred in the Act, and in other applicable laws, subject to the limitations prescribed therein and herein and to the provisions thereof and hereof.

**ARTICLE II
BOARD OF DIRECTORS**

SECTION 1. NUMBER OF TERM OF OFFICE.

- A. The property and affairs of the Corporation shall be managed and controlled by a Board and, subject to the restrictions imposed by law, by the Articles and these Bylaws, the board shall exercise all of the powers of the Corporation.
- B. The Board shall consist of five (5) directors, each of whom shall be appointed by the City Council. Each of the directors shall be a resident of the City.

- C. Three (3) members of the first board shall serve terms of two and a half (2 ½) years and two (2) members shall serve terms of one and a half (1 1/2) years. Thereafter, each successive member of the Board shall be appointed and serve for two (2) years or until a successor is appointed as hereinafter provided. All affected terms begin and expire in January of each year. Three (3) directors shall be persons who are not officers of the City or members of the City Council.
- D. Any director may be removed from office by the City Council at will. A vacancy of any director's position, which occurs by reason of death, resignation, disqualification, removal, or otherwise, shall be filled by the City Council.

SECTION 2. VACANCIES AND RESIGNATIONS.

A vacancy in any position of director which occurs by reason of death, resignation, disqualification, removal, or otherwise, shall be filled as prescribed in Article II, Section 1. A vacancy in the office of President or Vice President which occurs by reason of death, resignation, disqualification, removal, or otherwise, shall be filled by election by the Board, from the remaining directors, for the unexpired portion of the term of that office.

Any director may resign at any time. Such resignation shall be made in writing, addressed to the Mayor and the City Secretary, and shall take effect at the time specified therein, or if no time is specified, at the time of its receipt by the City Secretary.

SECTION 3. MEETINGS OF DIRECTORS.

For meetings of the Board or committees, notice thereof shall be provided and set forth in accordance with the Texas Open Meetings Act, Chapter 551 of the Texas Local Government Code. Any member of the Board, officers of the Corporation or Mayor, may have an item placed on the agenda by delivering the same in writing to the Secretary of the Board no less than three (3) calendar days prior to the date of the Board meeting. Each agenda of the Board meeting shall contain an item, titled "Citizens Forum", to allow public comment to be made by the general public concerning Board related matters. However, no official or formal action or vote may be taken on any comment made by citizens during Citizens Forum.

The Board shall hold regular and special meetings, in the corporate limits of the City, at such place or places as the Board may from time to time determined, and in conformance with the Texas Open Meetings Act.

SECTION 4. QUORUM.

A quorum is a majority of the Board, being not less than three (3) members, and shall be present for the conduct of the official business of the Corporation. The Act of three (3) or more directors 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 these Bylaws, policies/procedures of the Board, City Council resolution/ordinance, or state law.

SECTION 5. CONDUCT OF BUSINESS.

- A. At the meetings of the Board, matters pertaining to the business of the Corporation shall be considered in accordance with the rules of procedure as from time to time prescribed by the Board. Unless otherwise adopted by the Board, the rules of procedures of the City Council shall be the rules of procedures for 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 Corporation, but in the absence of the Secretary, the presiding officer may appoint any person to act as Secretary of the meeting. The Secretary shall keep minutes of the transactions of the Board and committee meetings and shall cause such official minutes to be recorded in books kept for that purpose in the principal office of the Corporation. The unofficial minutes shall be submitted to the City Secretary within seven days following the Board meeting. This will enable the unofficial minutes to be distributed to the Board members for their approval at a future Board meeting.

SECTION 6. COMMITTEES OF THE BOARD.

An official committee of the board shall consist of two (2) or more directors. 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 7. COMPENSATION OF DIRECTORS.

The directors, including the President and Vice President, shall not receive any salary or compensation for their services. However, directors may be reimbursed for their actual expenses incurred in the performance of their duties hereunder, including but not limited to the cost of travel, lodging and incidental expenses reasonably related to the corporate duties of the Board. Travel expenses incurred by directors for both regular and special meetings are not eligible for reimbursement.

ARTICLE III
OFFICERS

SECTION 1. TITLES AND TERM OF OFFICE.

The President and Vice President shall be elected by the Board and shall serve a term of one (1) year. The respective terms of the initial President and Vice President shall be determined by the City Council. The President and Vice President shall continue to serve until their successors are appointed as provided in Article II, Section 1.

SECTION 2. POWERS AND DUTIES OF THE PRESIDENT.

The President shall be the chief executive officer of the Corporation, and shall, subject to the authority of the Board and paramount authority and approval of the City Council, preside at all meetings of the Board, and absent any different designation by a majority of the Board, shall sign

and execute all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, and notes in the name of the Corporation. In addition, the President shall:

- A. call both regular and special meetings of the Board and establish the agenda for such;
- B. have the right to vote on all matters coming before the Board;
- C. have the authority to appoint standing or study committees to aid and assist the Board in its business undertaking or other matters incidental to the operation and functions of the Board;
- D. perform all duties incident to the office, and such other duties as shall be prescribed from time to time by the Board, subject to approval by the City Council;
- E. appear before the City Council on a periodic basis, when requested, to give a report on the status of activities of the Corporation; and
- F. appear before the City Council, or be represented by his designee, regarding any item being considered by the City Council concerning the Corporation, when requested to be present.

SECTION 3. VICE PRESIDENT.

The Vice President shall exercise the powers of the President during that officer's absence or inability to act. The Vice President shall also perform other duties as from time to time may be assigned by the President or the Board.

SECTION 4. ATTENDANCE.

Directors must be present in order to vote at any meeting. Regular attendance at the Board meetings is required of all directors. The following number of absences shall constitute the basis for replacement of a director. Two (2) absences in a twelve (12) month period shall be considered vacant.

SECTION 5. CONFLICT OF INTEREST.

In the event that a director is aware that he has a conflict of interest or potential conflict of interest, with regard to any particular matter or vote coming before the Board, the director shall bring the same to the attention of the Board and shall abstain from discussion and voting thereof.

Any director shall bring to the attention of the Board any apparent conflict of interest or potential conflict of interest of any other director, in which case the Board shall determine whether a true conflict of interest exists before any further discussion or vote shall be conducted regarding that particular matter. The director about whom a conflict of interest question has been raised shall refrain from voting with regard to the determination as to whether a true conflict exists. Failure to conform to these requirements herein and policies as may be adopted by the Board is cause for dismissal from the Board by action of the City Council.

SECTION 6. IMPLIED DUITES.

The Corporation is authorized to do that which the Board deems desirable, subject to City Council approval, to accomplish any of the purposes or duties set out or alluded to in the Articles, these Bylaws, and in accordance with State Laws.

SECTION 7. BOARD'S RELATIONSHIP WITH THE CITY.

In acceptance 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 Articles, these Bylaws, contracts entered into with the City, and budget and fiduciary responsibilities. Such policies and directives are subject to approval by the City Council. The Board or its designee in writing for services made to the departments of the City shall make any request to the City Manager. The City Manager may approve such request for assistance from the Board when he finds such requested services are available within the City and that the Board has agreed to reimburse the City for the cost of such services so provided in Article III, Section 8 of these Bylaws.

SECTION 8. CONTRACTS FOR SERVICE.

The Corporation may, with approval of the City Council, 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. However, 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 indischargeing the duties herein set forth. An administrative services agreement shall be executed between the Board and the City Council for the services provided and compensated as provided for herein.

Subject to authority of the City Manager under the City Charter, or City ordinances, the Corporation shall have the right to utilize the services of the staff and employees of the City, provided (i) that the City Manager approves of the utilization of such services, (ii) that the Corporation shall pay, as approved by the City Manager, reasonable compensation to the City of such services, and (iii) the performance of such services does not materially interfere with the other duties of such personnel of the City. Utilization of the aforesaid City staff shall be solely by an agreement approved by the City Council.

ARTICLE IV
FUNCTIONAL CORPORATE DUTIES AND REQUIREMENTS

SECTION 1. CHIEF ADMINISTRATIVE OFFICER.

The City Manager or his designee shall be the chief administrative officer of the Corporation and be in general charge of the properties and affairs of the Corporation, shall administer all work orders, requisitions for payments, purchase orders, contract administration/oversight, and other instruments or activities as prescribed by the Board in the name of the Corporation.

The City Manager shall employ such full or part-time employees as needed to carry out the programs of the Board. These employees shall be employees of the City and perform those duties as are assigned to them. These employees shall be compensated as prescribed in Article III, Section 8 of these Bylaws. The City Manager shall have the authority, and subject to

provisions of the City Charter and policies-procedures of the City, to hire, fire, direct, and control the work, as functionally appropriate, of such employees.

The City Manager or his designee shall have the responsibility to see to the handling, custody, and security of all funds and securities of the Corporation. When necessary or proper, the City Manager shall endorse and sign, on behalf of the Corporation, for collection or issuance, checks, notes and other obligations drawn upon such bank or banks or depositories as shall be designated by the City Council consistent with these Bylaws. The City Manager shall see to the entry in the books of the Corporation of full and accurate accounts of all monies received and paid out on account of the Corporation. The City Manager shall, at the expense of the Corporation, give such bond for the faithful discharge of the duties in such form and amount as the City Council shall require, by resolution. The City Manager shall submit a monthly report to the Board, in sufficient detail, of all checks or drafts issued on behalf of the Corporation for the previous month.

SECTION 2. SECRETARY.

The Secretary shall keep the minutes of all meetings of the Board and committees in books provided for that purpose, shall give and serve all notices, shall sign with the President in the name of the Corporation, and/or attest the signature thereto, all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments except the books of account and financial records and securities, and such other books and papers as the Board may direct, all of which shall at all reasonable times be open to public inspection upon application at the office of the Corporation during business hours, and shall in general perform all duties incident to the office of secretary subject to the control of the Board. The Secretary shall endorse and countersign, 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 City Council consistent with these Bylaws. The Secretary shall be an employee of the City.

SECTION 3. EX-OFFICIO MEMBERS.

The City Council may appoint Ex-Officio members to the Board of Directors as it deems appropriate. These representatives shall have the right to take part in any discussion of open meetings, but shall not have the power to vote in the meetings. Ex-Officio members shall serve a term of one year.

Ex-Officio members shall be required to take an Oath of Office and abide by, and be subject to, the City Code of Ethics.

SECTION 4. PARTICIPATION IN BOARD MEETINGS.

The City Manager, Secretary, Mayor and Councilmembers, shall have the right to take part in any discussion of the Board, or committees thereof, including attendance of executive sessions, but shall not have the power to vote in any meetings attended.

SECTION 5. DUTIES OF THE BOARD.

The Board shall develop a combined Community Enhancement Program, (the "CEP"), including maintenance and operation costs thereof, for the City which shall include and set forth short and long term goals. Such plan shall be approved by the City Council. The CEP developed by the Board shall be one that incorporates the Capital Improvement Plans of the City Parks and Recreation Department, and the Public Library, and the promotion and expansion of manufacturing and industrial facilities, other economic development purposes, and other similarly related community development needs within the financial constraints of revenues available to the Corporation. The Board shall conduct a public hearing concerning both the adoption and required annual updates to the CEP. A legal notice shall be advertised as determined by the Board, at least three (3) days prior to the scheduled public meeting or seven (7) days prior to a Public Hearing.

The Board shall review and update the CEP once a year to ensure the plan is up to date with current community needs and is capable of meeting Roanoke's community enhancement needs. The Board shall expend, in accordance with State law and subject to City Council approval, the funds received by it for community enhancement where such expenditures will have a benefit to the citizens of Roanoke. The Board shall make an *annual report to the City Council including, but not limited to the following:

- A. A review of the accomplishments of the Board in the area of community enhancement; and
- B. The activities of the Board for the budget year addressed in the annual report, together with any proposed change in the activity as it may relate to community enhancement.

*the required annual report shall be made to the City Council no later than March 1st of each year.

The Board shall be accountable to the City Council for all activities undertaken by it or on its behalf, and shall report on all activities of the Board, whether discarded directly by the Board or by any person, firm, corporation, agency, association or other entity on behalf of the Board.

SECTION 6. COMPONENTS OF THE CEP.

The Board shall submit to the City Council for its approval, the CEP which shall include proposed methods and the expected costs of implementation, and cost of operations and maintenance of the projects. The plan shall include both short and long term goals for the enhancement of the City.

SECTION 7. ANNUAL CORPORATE BUDGET.

At least ninety (90) days prior to October 1st, the Board shall prepare and adopt a proposed budget of expected revenues and proposed expenditures for the next ensuing fiscal year. The fiscal year of the corporation shall contain such classifications and shall be in such form as may be prescribed from time to time by the City Council. The budget proposed for adoption shall include the projected operating expenses, and such other budgetary information as shall be required by the City Council for its approval and adoption. The budget shall be considered adopted upon formal approval by the City Council.

SECTION 8. FINANCIAL BOOKS, RECORDS, AUDITS.

The City Manager or his designee shall keep and properly maintain, in accordance with generally accepted accounting principles, complete financial books, records, accounts, and financial statements pertaining to its corporate funds, activities, and affairs.

The City shall cause the Corporation's financial books, records, accounts, and financial statements to be audited at least once each year by an outside, independent auditing and accounting firm selected by the City Council. Such audit shall be at the expense of the Corporation.

SECTION 9. DEBT. DEPOSIT AND INVESTMENT OF CORPORATE FUNDS.

All proceeds from the issuance of bonds, notes or other debt instruments (the "Boards") issued by the Corporation shall be deposited and invested as provided in the resolution, order, indenture, or other documents authoring or relating to their execution or issuance and handled in accordance with the statute governing this Corporation, but no bonds shall be issued, including refunding bonds, by the Corporation without the approval of the City Council after review and comment by the City's bond counsel and financial advisor.

All 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, as authorized by the City Investment Policy. The City Manager shall designate the accounts and depositories to be created and designated for such purposes of the Corporation upon the signature of the City Manager and the Secretary. The Department of Finance of the City shall perform the accounts, reconciliation, and investment of such funds and accounts. The Corporation shall pay reasonable compensation for such services as prescribed in Article III. Section 8, of these Bylaws.

SECTION 10. EXPENDITURES OF CORPORATE MONEY.

The monies of the Corporation, including sales and use taxes collected pursuant to the Act, the proceeds from the investment of funds of the Corporation, the proceeds from the sale of property, monies derived from the repayment of loans, rents received from the lease or use of property, the proceeds derived from the sale of bonds, and other proceeds may be expended by the Corporation for any of the purposes authorized by the Act, subject to the following limitations:

- A. Expenditures from the proceeds of bonds shall be identified and described in the orders, resolutions, indentures, or other agreements submitted to and approved by the City Council.
- B. Expenditures that may be made from a fund created from the proceeds of bonds, and expenditures of monies derived from sources other than the proceeds of bonds 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 City Council.
- C. All other proposed expenditures shall be made in accordance with and shall be set forth in the annual budget required by these Bylaws or in contracts meeting the requirements of the Article.

No bonds, including refunding bonds, shall be authorized or sold and delivered by the

Corporation unless the City Council shall approve such bonds.

SECTION 11. CONTRACTS.

As provided herein, the President and Secretary shall enter into any contracts or other instruments which the Board has approved and authorized in the name and on behalf of the Corporation. Such authority may be confined to specific instances or defined in general terms. When appropriate, the Board may grant a specific or general power of attorney to carry out some action on behalf of the Board, provided, however that no such power of attorney may be granted unless an appropriate resolution of the Board authorizes the same to be done.

ARTICLE V
MISCELLANEOUS PROVISIONS

SECTION 1. SEAL.

The Board may obtain a corporate seal which shall bear the words "Corporate Seal of the Roanoke Economic and Industrial Development Corporation" and the Board may here after use the corporate seal and corporate name; but these Bylaws shall not be construed to require the use of the corporate seal.

SECTION 2. APPROVAL OR ADVISE AND CONSENT OF THE CITY COUNCIL.

To the extent that these bylaws refer to any action, approval, advise, or consent by the City to refer to action, approval, advice or consent by the City Council, such action, approval, advice, or consent shall be evidenced by a motion, resolution, or ordinance duly passed by the City Council and reflected in the minutes of the City Council.

SECTION 3. INDEMNIFICATION OF DIRECTORS, OFFICERS AND EMPLOYEES.

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. The Corporation shall indemnify each and every member of the Board, its officers and its employees, and each member of the City Council and each employee of the City, to the fullest extent permitted by law against any and all liability or expense, including 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. This indemnity shall apply even if one or more of those to be indemnified was negligent or caused or contributed to cause any loss, claim, action or suit. Specifically, it is the intent of these Bylaws and the Corporation to require the Corporation to Indemnify those named for indemnification, even for the consequences of the negligence of those to be Indemnified which caused or contributed to cause any liability.

The Corporation must purchase and maintain insurance on behalf of any director, officer, employee, or agent of the Corporation, or on behalf of any person serving at the request of the Corporation as a Board member, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against any liability asserted against that person and incurred by that person in any such capacity or arising out of any such status with regard to the Corporation, whether or not the Corporation has the power to indemnify that person against liability for any of those acts.

SECTION 4. GIFTS.

The Board may accept on behalf of the Corporation any contribution, gift, bequest, or device for the general purpose or for any special purposes of the Corporation.

SECTION 5. CODE OF ETHICS.

Each director, including the President and Vice President, its officers, employees, and agents shall abide by and be subject to the City Code of Ethics consistent with the state guidelines regarding gifts. The Code of Ethics shall be applicable to independent contractors of the Corporation, except to the extent that such independent contractor is not performing work on behalf of the Corporation.

SECTION 6. AMENDMENTS TO BYLAWS.

These Bylaws may be amended or repealed and new Bylaws may be adopted by an affirmative vote of three (3) of the authorized directors serving on the Board, subject to approval by the City Council. The City Council may amend these Bylaws at any time. Such amendments by the City Council will be duly passed and adopted by motion, resolution or ordinance duly reflected in the minutes of the City Council and, thereafter, duly noted to the Board.

SECTION 7. DISSOLUTION OF THE CORPORATION.

Upon dissolution of the Corporation, titles to or other interest in any real or personal property owned by the Corporation at such time shall vest in the City of Roanoke.

SECTION 8. APPLICABILITY OF CITY CHARTER, POLICIES, AND PROCEDURES.

The City Charter and all duly approved city policies, procedures and ordinances shall directly to the Corporation and the Board unless such charters, policies or procedures are superseded by state law or not related to the functions of the Board. The Board has the prerogative, subject to the approval by the City Council, to adopt other policies and procedures in addition to or in place of those of the City.

Chapters 252 and 271 of the Texas Local Government Code shall not apply to contracts and projects entered into by the Corporation. The Corporation shall have all the rights, powers, privileges, authority and functions given by the general laws of the State of Texas to non-profit corporations incorporated under the Texas Non-Profit Corporation Act, and the specific powers granted to such.

SECTION 9. EFFECTIVE DATE.

These Bylaws, having been approved by Resolution No. 99-111R shall become effective upon the approval of such by the Board.