

**FIRST AMENDED BYLAWS
OF THE
FORNEY ECONOMIC DEVELOPMENT CORPORATION**

**ARTICLE I
PURPOSE AND POWERS**

SECTION 1. PURPOSE.

The corporation is incorporated for the purposes set forth in Article IV of its Articles on Incorporation.

SECTION 2. POWERS.

In fulfillment of its corporate purpose, the Corporation shall be governed by Section 4B of the Development Corporation Act of 1979, as amended, Article 5190.6, Vernon's Texas Civil Statutes (the "Act"), and shall have all of the powers set forth and conferred in its Articles of Incorporation, the Act, and in other applicable law, subject to the limitations contained herein.

**ARTICLE II
BOARD OF DIRECTORS**

SECTION 1. POWERS, NUMBER AND TERM OF OFFICE.

- (a) The property and affairs of the Corporation shall be managed and controlled by a Board of Directors (the "Board") and, subject to the restrictions imposed by law, by the Articles of Incorporation, the Act, and 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 of the City of Forney.
- (c) The directors constituting the Initial Board of Directors shall be those named in Article VI of the Articles of Incorporation. Successor directors shall have the same qualifications and be appointed in the same manner.
- (d) Directors serve at the will and pleasure of the City Council and are appointed for terms of two (2) years each.

SECTION 2. MEETINGS OF DIRECTORS.

The directors may hold their meetings at such places in the City as the Board may from time to time determine, provided however, in the absence of any contrary determination by the Board, the meetings shall be held at the City Hall of the City of Forney.

SECTION 3. NOTICE OF MEETINGS.

The Board shall meet monthly at a place and time to be determined by the President. All meetings of the Board shall provide notice thereof as provided in the Texas Open Meetings Act, Chapter 551 of the Texas Government Code. Any member of the Board may request that an item be placed on the agenda by delivering the same in writing to the Secretary of the Board no later than ten (10) days prior to the date of the Board meeting. The President of the Board shall set regular meeting dates and time at the beginning of his or her term. The annual meeting of the Board of Directors shall be the third Thursday in May of each year, at 6:30 p.m.

SECTION 4. OPEN MEETINGS ACT.

All meetings and deliberations of the Board shall be called, convened, held and conducted, and notice shall be given to the public, in accordance with the requirements of the Texas Open Meetings Act.

SECTION 5. QUORUM.

A majority of the Directors shall constitute a quorum for the conduct of 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.

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 the rules of procedure as from time to time may be prescribed by the Board.
- (b) At all meetings of the Board, the President or other designated officer shall preside.
- (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 two or more Directors to constitute an official committee of the Board to exercise such authority of the Board as may be specified in the resolution. It is provided, however, that all final, official actions of the Corporation may be exercised only by the Board. **Each committee shall keep regular minutes of the transactions of its meetings.**

SECTION 8. COMPENSATION OF THE DIRECTORS.

Directors shall not receive any salary or compensation for their service as Directors. However, they shall be reimbursed for their actual expenses incurred in the performance of their official duties as Directors, subject to approval of the Board.

**ARTICLE III
OFFICERS**

SECTION 1. TITLES AND TERM OF OFFICE.

- (a) The officers of the Corporation shall be a President, one or more Vice Presidents, 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 two (2) years 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 the majority of the **entire Board of Directors**.
- (c) A vacancy in the office of any officer shall be filled by a vote of the majority of the **entire Board of Directors**.

SECTION 2. POWERS AND DUTIES OF THE PRESIDENT.

The President shall be the Chief Executive Officer of the Corporation, and, subject to the paramount authority of the Board, the President shall be in general charge of the properties and affairs of the Corporation, shall preside at all meetings of the Board, and may sign and execute all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments in the name of the Corporation.

SECTION 3. VICE PRESIDENT.

The Vice President shall have such powers and duties as may be prescribed by 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 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 have the responsibility to see to the handling, custody, and security of all funds and securities of the Corporation in accordance with these Bylaws. When necessary or proper, the Treasurer may endorse and sign, along with any other required signators, on behalf of the Corporation, for collection or issuance, checks, notes and other obligations in or drawn upon such 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 Treasurer and any other designated officers shall, at the expense of the Corporation, give such bond for the faithful discharge of his duties in such form and amount as the Board or the City Council may require.

SECTION 5. SECRETARY.

The Secretary shall keep the minutes of all meetings of the Board in books provided for that purpose, shall give and serve all notices, may sign with the 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 of the Corporation, shall have charge of the corporate books, records, documents 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 time 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 the Secretary subject to the control of the Board.

SECTION 6. OFFICERS.

The President, Vice President, Secretary and Treasurer shall be named from among the members of the Board. Any assistant secretaries may, at the option of the Board, be persons other than members of the Board, and they may be employees of the City.

SECTION 7. COMPENSATION.

Officers who are members of the Board shall not receive any salary or compensation for their services, except that they shall be reimbursed for their actual expenses incurred in the performance of their official duties as officer, subject to approval of the Board.

**ARTICLE IV
FUNCTIONAL CORPORATE DUTIES AND REQUIREMENTS**

SECTION 1. PROJECT DEVELOPMENT PLAN.

- (a) It shall be the duty and obligation of the Board, to research, develop, prepare, finance, and implement a Project Development Plan.

- (b) In carrying out its obligations under subsection (a), the Board shall be authorized to exercise all rights and powers granted under the Act, including, but not limited to Section 4B thereof, subject to the terms of the “Project Development Plan”, and with the objective and for the purpose of developing and diversifying the economic, recreational, educational and cultural aspects of the City.
- (c) The Board shall periodically submit reports to the City Council as to the status of its activities in carrying out its obligations under this Section.
- (d) Any and all agreements between the Corporation and other parties shall be authorized, executed, approved, and delivered in accordance with applicable law.

SECTION 2. ANNUAL CORPORATE BUDGET.

At least sixty (60) days prior to the commencement of each fiscal year of the Corporation, the Board shall adopt a proposed budget of expected revenues and proposed expenditures for the next ensuing fiscal year. The budget shall not be effective until the same has been approved by the City Council.

SECTION 3. BOOKS, RECORDS, AUDITS.

- (a) The Corporation shall keep and properly maintain, in accordance with generally accepted accounting principles, complete books, records, accounts, and financial statements pertaining to its corporate funds, activities, and affairs.
- (b) At the request of the Board and at the direction of the City Council, the books, records, accounts, and financial statements of the Corporation may be maintained for the Corporation by the accountants, staff and personnel of the City.
- (c) The Corporation, or the City if the option described in subsection (b) is selected, shall cause its books, records, accounts, and financial statements to be audited at least once each fiscal year by an outside, independent, auditing and accounting firm approved by the Corporation. Such audit shall be at the expense of Corporation.

SECTION 4. DEPOSIT AND INVESTMENT OF CORPORATE FUNDS.

- (a) All proceeds from loans or from the issuance of bonds, notes, or other debt instruments (“Obligations”) issued by the Corporation shall be deposited and invested as provided in the resolution, order, indenture, or other documents authorizing or relating to their execution or issuance.
- (b) Subject to the requirements of contracts, loan agreements, indentures of other agreements securing Obligations, all other monies of the Corporation, if any, shall be deposited, secured, and/or invested in the manner provided for the deposit, security, and/or

depositories to be created and designated for such purposes, and the methods of withdrawal of its Treasurer and such other persons as the Board shall designate.

SECTION 5. EXPENDITURES OF CORPORATE MONEY.

The monies of the Corporation, including sales and use taxes collected pursuant to of the Act, monies derived from rents received from the lease or use of property, the proceeds from the investment of funds of the Corporation the proceeds from the sale of property, and the proceeds derived from the sale of Obligations, may be expended by the Corporation for any of the purposes authorize by the Act, 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 execution of loan or financing agreements or the sale and delivery of the Obligations, to the purchasers thereof required by Section 6 of the 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 or otherwise providing one or more “Projects”, as defined in Section 4B of the Act. The specific expenditures shall be described in a resolution or order of the Board;
- (c) All other proposed expenditures shall be made in accordance with and shall be set forth in the annual budget required by Section 2 of this Article or in contracts meeting the requirements of Section 1(d) of this Article.
- (d) **The Board shall publish notice of and conduct at least one public hearing on each project as required by Section 4B(n) of the Act.**

SECTION 6. CONFLICT OF INTERESTS.

The members of the Board are local public officials within the meaning of the Texas Local Government Code, Chapter 171. If a Director has a substantial interest in a business entity or real property which is the subject of deliberation by the Board, the Director shall file an affidavit with the secretary of the Corporation as to the nature and extent of the interest. Such affidavit shall be filed prior to any vote or decision upon the matter of the Board, and the interested Director shall abstain from any vote, decision or discussion upon the matter.

SECTION 7. GIFTS.

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

**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 Articles of Incorporation.
- (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 resignations shall be made in writing and shall take effect at the time specified therein, or, if no time be specified, at the time of its receipt by the President or Secretary. 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 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 the paramount authority of the City Administrator, the Corporation shall have the right to utilize the services of the City Attorney, the City Secretary, and the City bookkeeper, provided (1) that the Corporation shall pay reasonable compensation to the City for such services, and (2) the performance of such services does no 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 and in the Articles of Incorporation, the Corporation is, for the purposes of the Texas Tort Claims Act (Subchapter A, Chapter 101, Texas Civil Practices and Remedies Code), a governmental unit and its actions are governmental functions.

- (b) The Corporation shall indemnify each and every member of the Board, its officers, and its employees, and each member of the 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 these 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 Section 4B 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.

ARTICLE VI EFFECTIVE DATE, AMENDMENTS

SECTION 1. EFFECTIVE DATE.

These Bylaws shall become effective upon the occurrence of the following events:

- (1) the approval of the Bylaws by the City Council; and
- (2) the adoption of these Bylaws by the Board.

SECTION 2. AMENDMENTS TO ARTICLES OF INCORPORATION AND BYLAWS.

The Articles of Incorporation of the Corporation and these Bylaws may be amended only in the manner provided in the Articles of Incorporation and the Act.