

BYLAWS
OF
GEORGETOWN ECONOMIC DEVELOPMENT CORPORATION

ARTICLE I. OFFICES

Section 1.01 LOCATION, REGISTERED OFFICE AND REGISTERED AGENT

The registered office and mailing address of the Georgetown Economic Development Corporation (the "Corporation") is located at 113 East 8th Street, Georgetown, Texas 78626. Such address shall also serve as the principal office of the Corporation and Board of Directors (the "Board").

The Registered Agent for the Corporation shall be the City Manager, provided that the Board from time to time, may change the registered agent and/or the address of the registered office, in accordance with state law and subject to City Council approval, provided that such change is appropriately reflected in these Bylaws and in the Articles of Incorporation (the "Articles").

ARTICLE II. DIRECTORS

Section 2.01 NUMBER, APPOINTMENT, AND TERM OF OFFICE

The business affairs of the Corporation shall be managed by a Board of seven Directors, a minimum of two of which shall be Georgetown City Council members. Members shall be residents in the City Limits or the ETJ.

Directors shall be appointed by the City Council and serve at the pleasure of the City Council for staggered terms of two years, except as provided in the following. To initially establish staggering of terms, initial Directors shall draw by lot to determine the initial terms with two initial Directors serving terms until the last day of February 2007, and three initial Directors serving until the last day of February 2008. To initially establish staggering of terms of the two citizen at large positions established in February 2013, those Directors shall draw by lot to determine the initial terms with one Director serving a term until the last day of February 2014, and the other Director serving until the last day of February 2015. Each City Council member serving as a Director shall serve a term of two years or until the expiration of their council term whichever is earlier. If qualified, a Director completing a term may be reappointed at the discretion of the City Council. Notwithstanding any provisions herein to the contrary, a Director shall hold office until his/her successor shall have been appointed and qualified.

Each Director shall be a resident of the City or its Extra Territorial Jurisdiction (ETJ) and is entitled to one vote upon the business of the Corporation. Any Director may be removed from the office by the City Council at will.

Section 2.02 VACANCIES

In case of a vacancy on the Board, the City Council shall appoint a successor to serve the remainder of the unexpired term. Any Director or officer may at any time resign. Resignations shall be made in writing to the General Manager and shall take effect at the time specified in the resignation, or, if no time be specified, at the time of its receipt by the president or the secretary of the Board. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

Section 2.03 REGULAR MEETING; PLACE OF MEETING

The Board shall meet on a regular basis, at a specified time, day, and location as approved annually by the Board. Scheduled meeting times will be properly posted for public notification for regular and special called meetings as necessary. The president of the Board may cancel the meeting if there is no business to be conducted.

Section 2.04 SPECIAL MEETINGS

Special meetings of the Board shall be held whenever called by the Board president, General Manager, or upon written request to the secretary of the Board by two Directors.

Section 2.05 NOTICE OF MEETINGS

The secretary shall cause notice of the time and place of holding each meeting of the Board to be given to each Director. The notice may be in writing, in person, or in person by telephone. Notice of each meeting shall also be given to the public in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Government Code, as amended.

Section 2.06 QUORUM

A majority of the membership of the Board including vacancies (a total of four members) shall constitute a quorum for the transaction of business. A supermajority of the membership of the Board shall be defined as a majority plus one (a total of five members).

Section 2.07 ATTENDANCE

Board Members are required to attend 75% of regularly scheduled Board meetings. Excessive absenteeism will be subject to action under Council policy.

Section 2.08 AGENDA AND ORDER OF BUSINESS

Any Director or the General Manager may place an item on an agenda for future discussion. The order of business shall be determined by the president.

Section 2.09 PRESIDING OFFICER

At all meetings of the Board, the president, or in the president's absence, the vice president, or in the absence of both of these officers, a member of the Board selected by the Directors present shall preside. The secretary of the Corporation shall sit as secretary at all meetings of the Board, and in case of the secretary's absence, the presiding officer shall designate any Board member to act as secretary.

Section 2.10 MANAGEMENT

The property and business of the Corporation shall be managed by the Board which may exercise all powers of the Corporation.

Section 2.11 PURPOSE AND POWERS

The Corporation shall be a non-profit Corporation as defined by the Internal Revenue Code of 1986, as amended, and the applicable regulations of the United States prescribed and promulgated thereunder. The Corporation is incorporated for the purposes set forth in the Articles of Incorporation acting on behalf of the City of Georgetown, Texas (the "City") as its duly constituted authority and instrumentality in accordance with Section 4A of the Texas Development Corporation Act of 1979, (Tex. Rev. Civ. Stat., Ann., Art. 5190.6, § 4A, as amended), (the "Act") and all other applicable laws to which it is subject and from which it derives its powers.

The purpose of the Corporation is to consider requests and grant funds for Projects authorized under Section 2(11)(A) and Section 4A(i) of the Act, and as delineated in Georgetown City Council Resolution 121404-JJ. All proposals shall be submitted to the General Manager for general and financial review prior to consideration by the Board.

In addition to the powers conferred by these Bylaws, the Board may exercise all powers of the Corporation and do all lawful acts and things that are not prohibited by law, or the election held on May 7, 2005, or these Bylaws including, but not limited to the following:

1. Develop policies and operating procedures that do not conflict with any City policy.
2. Undertake actions and Projects which are determined by the Board to lead to the creation or retention of primary jobs and/or provide significant capital investment and which benefit the community of Georgetown.
3. The Corporation may, in pursuing its purposes as stated in this section:
 - Acquire or lease property (land or buildings) within the City or ETJ
 - Negotiate market-discounted land agreements with developers or landowners
 - Plan, develop, improve, sell or lease land
 - Build or rehabilitate buildings
 - Provide funding for or develop infrastructure
 - Make secured or unsecured loans or loan guarantees
 - Provide direct grants to businesses
 - Borrow funds and issue bonds
 - Develop and implement financial/incentive programs to attract or retain business
 - Market and promote the city and amenities consistent with the purposes and duties as set forth in the Bylaws
4. Develop long-range goals and programs for the Corporation.
5. Appoint standing or ad hoc committees, which may include City staff and/or individuals who are not members of the Board.

ARTICLE III. OFFICERS

Section 3.01 COMPENSATION OF DIRECTORS AND OFFICERS

Directors and officers shall not receive any salary for their services but by resolution of the Board, expenses incurred in the Corporation's business may be reimbursed.

Section 3.02 OFFICERS

The officers of the Corporation shall be a president, vice president and secretary. The Board, at each annual meeting, which shall normally occur in the first meeting in March of each year, shall elect these officers. The Board may appoint such other officers as it deems necessary, who shall have the authority, and shall perform such duties as from time to time may be prescribed by the Board.

Section 3.03 POWERS AND DUTIES OF THE PRESIDENT

The president shall preside at all meetings of the Directors. He or she shall have the power, with City Council approval, to sign and execute all contracts and instruments of conveyance in the name of the Corporation, to sign checks, drafts, notes and orders for the payment of money, and to appoint and discharge agents and employees, subject to the approval of the Board. He or she shall

have general and active management of the business of the Corporation, and shall perform all the duties usually incident to the office of president.

Section 3.04 POWERS AND DUTIES OF THE VICE PRESIDENT

The vice president shall have such powers and perform such duties as may be delegated to him or her by the Board. In the absence or disability of the president, the vice president may perform the duties and exercise the powers of the president.

Section 3.05 POWERS AND DUTIES OF THE SECRETARY

The secretary shall review and finalize the official minutes of the Board prior to approval by Board action, may sign with the president, or a vice president, in the name of the Corporation, all contracts and instruments of conveyance authorized by the Board, and shall in general perform all the duties incident to the office of secretary, subject to the control of the Board. Official Records of the Corporation shall be maintained and filed in the office of the City secretary of the City.

Section 3.06 CONFLICT OF INTEREST

In the event that a Director is aware that he or she has a conflict of interest or potential conflict of interest, as defined by state of Texas conflict of interest statutes and/or the City of Georgetown Ethics Ordinance, 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.

If any Director believes that any other Director may have a conflict of interest on a matter before the Board, he/she is obligated to inform the Director of that opinion. It is then the responsibility of the Director with the possible conflict to resolve the situation.

Any questions of possible ethics violations shall be subject to the state conflict of interest statutes and/or the City of Georgetown Ethics Ordinance and be processed accordingly.

Section 3.07 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 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. Any request for services made to the departments of the City shall be made by the Board or its designee to the City Manager. The City Manager may approve such requests for assistance from the Board when he or she 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, as provided in Article III, Section 3.08 of these Bylaws.

Section 3.08 CONTRACTS FOR SERVICES

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 in discharging the duties herein set forth. An administrative services contract shall be executed between the Board and the City Council for the services provided by the General Manager, Finance Manager, the City Attorney, and other City services/functions and compensated as provided for herein.

Subject to the authority of the City Manager under the Charter of the City, the Corporation shall have the right to utilize the services of the staff and employees of the Finance Department of the City, the staff and employees of the City Manager's Office, the staff and employees of the Economic Development department, the City Attorney, and other 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 or conflict with the other duties of such personnel of the City. Utilization of the aforesaid city staff shall be solely by a contract approved by the City Council.

Section 3.09 TRAINING REQUIREMENTS

All members of the Board, the General Manager, the Finance Manager and the Director of the City's Economic Development department shall be required, at the expense of the Corporation, to comply with all training and educational requirements as specified by state legislation, the Texas Governor's Office of Economic Development, and rulings of the Texas Attorney General and the Texas Comptroller, as amended from time to time.

If a Board member fails to comply with these requirements, the City Council shall consider the specific situation and may remove the member from the Board at its discretion.

ARTICLE IV. CORPORATION SEAL

The Board may obtain a corporate seal which shall be a star with the words Georgetown Economic Development Corporation, but these Bylaws shall not be construed to require the use of the corporate seal.

ARTICLE V. FISCAL YEAR

The fiscal year of the Corporation is October 1 through September 30.

ARTICLE VI. FUNCTIONAL CORPORATE DUTIES AND REQUIREMENTS

Section 6.01 GENERAL MANAGER

The City Manager of the City of Georgetown, Texas, shall be the General Manager of the Corporation and be in charge of the properties and affairs of the Corporation, shall administer all work orders, requisitions for payment, purchase orders, contract administration/oversight, and other instruments or activities as prescribed by the Board in the name of the Corporation.

The General Manager shall employ such full or part-time employees as are needed to carry out the programs of the Board. These employees shall be employees of the City or another city-authorized entity focused on economic development, and they shall perform those duties as are assigned to them. These employees shall be compensated as prescribed in Article III, Section 3.08 of these Bylaws. The General Manager shall have the authority, and subject to provisions of the City Charter and policies and procedures of the City, to hire, fire, direct, and control the work, as functionally appropriate, of such employees, as well as to delegate such of the General Manager's responsibility as the General Manager deems appropriate.

Section 6.02 FINANCE MANAGER

The Finance Manager shall be the City's Director of Finance & Administration. The Finance Manager shall have the responsibility to see to the handling, custody, and security of all funds and securities of the Corporation in compliance with City of Georgetown's financial policies. When necessary or proper, the Finance Manager, or designee, 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 Finance 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 Finance 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 Finance Manager shall also coordinate an annual audit of the Corporation's Financial Statements by an independent outside audit firm approved by the City Council. With approval of the General Manager, the Finance Manager may delegate such of the Finance Manager's responsibility as the Finance Manager deems appropriate.

The Finance Manager shall submit a report to the Board each month, in sufficient detail, of all checks or drafts issued on behalf of the Corporation for the previous month. The Finance Manager shall provide a quarterly financial report to the City Council concerning activities of the Corporation in a format consistent with other financial reports of the City.

Section 6.03 EX-OFFICIO MEMBERS

The City Council may appoint Ex-Officio members to the Board as it deems appropriate. These representatives shall have the right to take part in any discussion in open meetings, but shall not have the power to vote in the meetings or the right to attend executive sessions, unless specifically invited to attend by the president. 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, any City Code of Ethics.

Section 6.04 PARTICIPATION IN BOARD MEETINGS

The General Manager and Finance Manager shall have the right to take part in any discussion of the Board, Board committees or subcommittees thereof, including attendance in executive sessions (when invited by the president to the executive session), but shall not have the power to vote in any meetings attended.

Section 6.05 DUTIES OF THE BOARD

The Board shall expend, in accordance with State law and subject to City Council approval, the funds received by it for allowable expenditures approved within the Bylaws Section 2.11. The Board shall make a semi-annual report to the City Council including, but not limited to the following:

- (1) A review of the accomplishments of the Board in the area of economic development; and
- (2) The activities of the Board for the budget year addressed in the annual financial report, together with any proposed change in the activity as it may relate to economic development.

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 discharged directly by the Board or by any person, firm, corporation, agency, association or other entity on behalf of the Board.

Section 6.06 ANNUAL CORPORATE BUDGET

At least thirty (30) days prior to September 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 be the same as the fiscal year of the City of Georgetown. The budget shall be in such form as may be prescribed from time to time by the City Council or directed by the

Corporation's Board of Directors. The budget proposed for adoption shall include the projected operating expenses, administrative expenses, debt servicing, cash reserves, contingency funds, 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. In establishing its budget and in responding to unanticipated Projects during the year, the Board shall fairly and equally consider Projects in the following categories:

1. Industrial development
2. Commercial development (including, but not limited to, Projects within the Downtown District and redevelopment areas designated by the City Council)

Each approved request from the Board for Project funding must be made in the form of a Resolution to formally expend and approve Projects, and accompanied by a specific determination of eligibility of the Project for 4A funding under the Act.

Section 6.07 FISCAL POLICY

The Corporation will adhere to the City's Fiscal & Budgetary Policy as amended annually to guide the overall financial condition and operations of the Corporation. In addition to these policies, the Corporation will:

1. Balance the Corporation's funding capacity between the various types of opportunities described in Section 6.06 1 & 2 above, with none of these categories receiving more than 50% of the total bonding capacity in any fiscal year of the Corporation. Exceptions to this rule may be approved by the Board by a supermajority vote of the members of the Board. Exceptions shall also be approved by the City Council.
2. The Corporation must enter into a Performance Agreement for any "Project", incentive or expenditure made on behalf of a business, per Section 40 of the Act.
 - The Performance Agreement must provide a schedule of additional payroll of jobs to be created or retained and/or capital investment to be made as consideration made by the Corporation under the agreement.
 - The Performance Agreement, at a minimum, must specify the terms under which repayment must be made to the City if the business enterprise fails to meet the performance requirements as specified in the agreement.

Section 6.08 FINANCIAL BOOKS, RECORDS, AND AUDITS

The Finance Manager 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 fiscal year by an outside, independent auditing and accounting firm selected by the City Council. Such audit shall be at the expense of the Corporation.

The Board shall, no later than February 1st of each year, submit to the Texas Comptroller a financial report in the form required by the Comptroller, as required by the Act. The City shall, at all times, have access to the books and records of the Corporation. The Corporation shall be subject to the Public Information Act (Chapter 552, Government Code).

Section 6.09 DEBT, DEPOSIT AND INVESTMENT OF CORPORATE FUNDS

All proceeds from the issuance of bonds, notes or other debt instruments (the "Bonds") 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 and handled in accordance with the statute governing the Corporation, but no bonds shall be issued, including refunding bonds, by the Corporation without the approval of the City Council.

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 Finance Manager shall designate the accounts and depositories to be created and designated for such purposes, and methods of withdrawal of funds for use by and for the purposes of the Corporation. The accounts, reconciliation, and investment of such funds and accounts shall be performed by the Department of Finance of the City. The Corporation shall pay reasonable compensation for such services as prescribed in Article III, Section 3.08, of these Bylaws.

Section 6.10 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 Section 6.06 of these Bylaws and the following limitations:

1. 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.

2. 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 Act.

No Bonds, including refunding bonds, shall be authorized or sold and delivered by the Corporation unless the City Council shall approve such bonds.

Section 6.11 CONTRACTS

As provided herein, the president and secretary, with approval of the City Council, 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. Once approved by the City Council, all Corporation contracts will then be signed by either the president or secretary.

ARTICLE VII. MISCELLANEOUS

Section 7.01 NOTICES AND WAIVERS

Whenever under the provisions of these Bylaws notice is required to be given to any Director or officer, unless otherwise provided, the notice may be given personally, or it may be given in writing by depositing it in the post office or letter box in a post paid envelope or postal card addressed to the Director or officer, at the address as it appears on the books of the Corporation, and the notice shall be deemed to be given at the time when it is mailed. Whenever any notice to Directors or officers is required to be given by law, or by these Bylaws, a waiver in writing signed by the person or persons entitled to the notice, whether before or after the time stated shall be deemed the equivalent of notice. This paragraph does not eliminate the requirement to comply with the Open Meetings Act.

Section 7.02 APPROVAL OF THE CITY COUNCIL

To the extent these Bylaws refer to any approval or other action to be taken by the City, that approval or action shall be evidenced by a certified copy of a resolution, ordinance, or motion duly adopted by the City Council.

Section 7.03 ORGANIZATIONAL CONTROL

The City Council at its sole discretion, and at any time, may alter or change the structure, organization or activities of the Corporation (including the termination of the Corporation), subject to any limitation on the impairment of contracts entered into by such Corporation. The foregoing

notwithstanding, the City, at all times during which any indebtedness of the Corporation, the interest on which is exempt from federal income taxation, remains outstanding, will maintain a beneficial interest in the Corporation.

Section 7.04 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 or representative 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.

ARTICLE VIII. PROVISIONS REGARDING BYLAWS

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

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

These Bylaws may be amended at any time and from time to time either by majority vote of the Directors then in office with the approval of the City Council or by the City Council itself, at its sole discretion.

These Bylaws shall be liberally construed to effectuate their purposes. If any word, phrase, clause, sentence, paragraph, section or other part of these Bylaws, or the application thereof to any person

or circumstances, shall ever be held to be invalid or unconstitutional by any court of competent jurisdiction, the remainder of these Bylaws and the application of such word, phrase, clause, sentence, paragraph, section or other part of these Bylaws to any other person or circumstance shall not be affected thereby.

ARTICLE IX. DISSOLUTION OF CORPORATION

Upon the dissolution of the Corporation after payment of all obligations of the Corporation, all remaining assets of the Corporation shall be transferred to the City of Georgetown, Texas.

I hereby certify that the foregoing Bylaws are the true and correct Bylaws of the Corporation as approved and adopted by the City Council on the ____ day of _____, 2019.

THE CITY OF GEORGETOWN

ATTEST:

Dale Ross, Mayor

Robyn Densmore, City Secretary

APPROVED AS TO FORM:

Charlie McNabb, City Attorney

STATE OF TEXAS §

§

COUNTY OF WILLIAMSON §

Before me, a notary public, on this day personally appeared Dale Ross, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared that the statements therein are true and correct.

Given under my hand and seal of office this ____ day of _____, 2019.

Notary Public, State of Texas

My commission expires: _____

I hereby certify that the foregoing Bylaws are the true and correct Bylaws of the Corporation as adopted by the Corporation on the ____ day of _____, 2019.

GEORGETOWN ECONOMIC DEVELOPMENT CORPORATION

By: _____

President

STATE OF TEXAS §

§

COUNTY OF WILLIAMSON §

Before me, a notary public, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared that the statements therein are true and correct.

Given under my hand and seal of office this ____ day of _____, 2019.

Notary Public, State of Texas

My commission expires: _____