

The Quitman Development Corporation

Bylaws

Article One

The Corporation

The name of the Corporation shall be the Quitman Development Corporation (the "Corporation"). The registered agent and registered office of the Corporation shall be as name and specified in the Articles of Incorporation, as amended. The Principle Office of the Corporation shall be the same as the registered office. The seal of the Corporation shall be as determined by the Board of Directors (the "Board").

Article Two

Purpose of the Corporation

The Corporation exists to undertake programs ("Programs") and projects ("Projects") as defined at Section 4B, Article 5190.6, Vernon's Ann. Texas Civil Statutes, as amended (the Development Corporation Act of 1979 - the "Act"). Such Programs and Projects (collectively "Community Development Activities - "CDA's") are to result in the retention and expansion of existing businesses and attraction of new business, commerce and industry thereby promoting the public welfare by creating opportunity for gainful employment of citizens, revenues for the City of Quitman, Texas (the "City") and the overall prosperity and economic viability of the City.

Article Three

Authority of the Corporation

The authority of the Corporation derives from the Act, approved Articles of Incorporation, these Bylaws and other pertinent law.

Article Four

The Board of Directors

4.0 General Provisions. The business and affairs of the Corporation shall be entrusted to a board of directors (the "Board"), appointed by the city council of the City (the "Council").

4.1 Number and Qualification of Board Members (the "Directors"). The number of Board members shall be seven (7) nominated by the Board and appointed by the Council. Directors shall be residents of Wood County, Texas.

4.2 Ex-officio Board Members. The Board may appoint, by title or name, employees of the City, the Corporation and/or representatives of related organizations to serve as ex-officio members of the Board. Ex-officio members shall be permitted to participate in all open meetings of the Board and may be permitted to attend and participate in executive session discussions as determined by the Board. Ex-Officio members shall have neither a vote nor the ability to make motions. An ex-officio member has no defined term of office and may be removed from the Board at any time by a majority vote of the Board.

4.3 Term of Office. Directors shall be appointed to serve in places numbered one through seven (1 – 7) for a regular term of two years commencing on October 1st of the year appointed.

The terms for Director's serving in odd number places, (i.e., 1, 3, 5 and 7) shall expire on September 30th of odd numbered years. The terms of Directors serving in even numbered places (i.e., 2, 4 and 6) shall expire on September 30th of even numbered years.

4.4 Vacancies.

- A. A Director who intends to vacate his or her place at the end of a term of office shall notify the President of the Board ("the President") of such intention not later than August 15th of the year his or her place will become vacant. The Board will act swiftly to nominate a replacement Director so as to ensure the Council may act on the nomination before the end of the term of office of the departing Director.
- B. Unplanned vacancies may occur when Directors resign from or otherwise vacate places on the Board prior to expiration of their term of office or when circumstances render a Board place immediately vacant. In all events, the President will convene a special meeting within fourteen (14) days following the vacancy at which the only item of business shall be to determine the name or names of a replacement director to be nominated to the Council for confirmation. The Council shall move to appoint a replacement director at its next regular meeting after receiving the Board's nomination. Replacement directors shall serve only the remainder of the term of the vacated place but shall be eligible for reappointment thereafter.

4.5 Compensation. Directors shall serve without compensation but shall be reimbursed for actual expenses incurred by them in performance of their official duties following submission of a request for reimbursement accompanied by receipts verify the amounts claimed.

4.6 Conflict of Interest. Conflict of Interest regardless of whether such conflict exists among Directors or members of Corporate committees, officers or elected members of the Council including the Mayor, shall be reconciled in accordance with Chapter 171, Subtitle C. Local Government Code. Conflict of interest involving employees of or consultants to the Corporation shall be cause for termination.

Article Five

Duties and Responsibilities of the Board of Directors

5.0 With Respect to the Council. The Board shall facilitate the effective control and oversight of the Corporation in that it shall

- A. In partnership with the City of Quitman, develop, or cause to have developed, a Community Development Plan (the "Plan") and submit same to the Council for approval. The Board shall oversee execution of the Plan updating. With Council approval, as necessary to ensure efficient, effective and successful execution.
- B. Nominate prospective Directors to the Council for approval.
- C. Construct and submit an annual Corporate budget to the Council for approval no later than September 1st of each calendar year.
- D. Develop and approve CDA budgets and submit same to the Council for approval.
- E. Forward an annual financial statement to the Council, for review, no later than September 1st each calendar year.
- F. Forward to the Council, for review, certified copies of the Corporation's annual audit reports.
- G. Should circumstances dictate, recommend to the Council dissolution of the Corporation except that such recommendation must be accompanied by justifying documentation.

5.1 With Respect to CDA's: The primary function and most important responsibility of the Board is to devise or cause to be devised CDA's, to gain approval of same from the Council and to

manage approved Projects to a successful and beneficial conclusion. Accordingly, the Corporation's operational, fiscal and administrative structure shall exist solely to serve this primary function. In addition, the Board shall:

- A. Ensure that CDA's are consistent with the purposes of the Act, the Articles of Incorporation, these Bylaws, the Plan and other pertinent laws and directives.
- B. Originate and manage, or cause to have managed, all CDA's
- C. Undertake or cause to have developed studies, surveys or other collection of data the availability of which will aid the Board and the Council in estimating the viability and ultimate value of a proposed project and otherwise support decisions to pursue or reject a given CDA proposal.
- D. Ensure accountability of Corporate funds expended by developing, or causing to have developed Program/Project budgets detailing specific items to be acquired through such expenditure and an accounting process within which every expenditure will be charged against an approved budget item.
- E. Quantify, to an acceptable level, the value of the Project or Program (i.e., the return on investment) in terms of jobs created, private or public funds leveraged, increased property valuation and/or the estimated amount of sales tax generated upon successful completion of the Project and thereby justify Corporate participation therein. Conversely, no project shall be undertaken the value of which cannot be objectively quantified.
- F. Secure, via contract, a defined level of performance of parties involved in CDA's and remedy for non-performance in the same manner.
- G. No CDA will be undertaken until it has been determined to an acceptable degree that the City will benefit materially from it.

5.2 With Respect to Organizational Management. The Board shall ensure the effective, efficient management of the Corporation and the approved CDA's undertaken by the Corporation. In discharging this responsibility, the Board may:

- A. Directly manage the Corporation through the individual efforts of individual Directors when, in the Board's estimation, the competence and available time to successfully effect such management resides within the Board.
- B. Engage and provide compensation to one or more professional executive or other staff members to oversee the operational, fiscal, administrative and/or executive/general management of the Corporation or any combination thereof. When such professional assistance is engaged, the Board shall provide general policy defining Corporate objectives which such staff member(s) will be obliged to lawfully and successfully implement or otherwise lawfully and successfully execute. Such professional executive staff shall also be responsible for engaging additional staff to assist him or her in discharging the general or limited responsibilities assigned provided such assistant's position has been approved by the Board. The Board will ensure that the duties of executive staff are specifically defined, that selection criteria (e.g., education, experience, etc.) for such staff is such to reasonably ensure his or her ability to perform assigned tasks and will verify applicants' claims to meeting selection criteria.
- C. Contract with any corporation, company or individual to undertake any or all management or operational function as may be specified by the Board except that such corporation, company and/or individual must have demonstrated successful application of competencies required to satisfactorily accomplish the tasks contracted for.
- D. The Board will approve all corporate management policy.

Article Six

Corporate Officers

6.0 General Provisions. The officers of the Corporation shall be the president, vice president, secretary and the treasurer and such other offices as the Board may from time-to-time the

elect to appoint. One Director may hold more than one office except that the president shall not hold the office of secretary. Officers shall be elected annually at the last regular meeting of the fiscal year (September) by a majority vote of the Board and shall hold office for twenty-four (24) months when a successor shall be elected. Vacancies in any office shall be filled by appointment with the approval of the majority of the Directors the term of which shall expire on the date of that of the previous incumbent.

6.1 The President of the Board (the "President"). The President, a Director, shall be the principle officer of the Corporation and, subject to the paramount authority of the Board, shall assume general responsibility for the property and affairs of the Corporation. Within this context, the President shall:

- A. In the absence of professional staff engaged to perform executive functions discharge assume the general management duties of the Corporation and, in the absence of an economic development director, concurrently assume the management duties of chief operations officer.
- B. Preside at all meetings of the Board.
- C. Have full voting rights.
- D. Call Special Meetings of the Board when, in the President's estimation, such Special Meeting is necessary to ensure the effective, efficient and successful furtherance of the programs and Projects undertaken by the Corporation and when it is known that a quorum can be established at such meeting.
- E. Have the authority to establish and appoint members of, with Board approval, standing committees to aid and assist the Board in its undertakings or other matters incidental to the operation and functions of the Corporation.
- F. Have the authority to establish and appoint members of, with Board Approval, ad hoc committees formed to address specific issues the substance of which may have either a temporary or permanent impact of the ability of the Corporation to successfully execute its Programs and/or Projects.
- G. Be the spokesperson for the Corporation in its dealings with the Council.
- H. Act on the Board's behalf in interpreting general policy for executive staff.
- I. Be authorized to co-sign contracts, conveyances, franchises, bonds, deeds, assignments, mortgages and notes and other instruments, including checks, in furtherance of the purposes of the Corporation.

6.2 The Vice President of the Board (the "Vice President"). The Vice President, a Director, shall have such powers and duties as assigned by the Board and shall exercise the powers of the President during the President's absence or inability to perform the functions of his office. Any action taken by the Vice President in the performance of the duties of the President shall be accompanied by conclusive evidence of the absence or inability to of the President to act at the time such vice presidential action was taken.

6.3 The Treasurer of the Board (the "Treasurer"). The Treasurer shall be the principle financial officer of the Corporation and, subject to the will of the Board, shall assume general responsibility for all financial matters associated with the Corporation and its Programs and Projects. Within this context, the Treasurer shall:

- A. In the absence of a professional chief financial officer or executive director , assume the management duties as chief financial officer of the Corporation.
- B. Develop or cause to have developed the fiscal policy of the Corporation and submit same to the Board of approval. Policy notwithstanding, the Corporate fiscal year shall always coincide with that of the City.
- C. Oversee or have custody of all funds and securities of the Corporation.
- D. Prepare, or cause to have prepared, and submit to the Board for adoption a corporate budget at a time and in such manner as necessary to ensure that such adopted budget

is presented to the Council for approval at the first Council meeting of the last month of each fiscal year.

- E. Be authorized to co-sign, with the President, instruments for collection or payment, checks, notes and other obligations and shall deposit or ensure the deposit of any funds received by the Corporation to the credit of the Corporation in such bank, banks or depositories as designated by the Board.
- F. Render statements of the Treasurer's cash account when such account has been authorized and established in accordance with the will of the Board.
- G. Ensure that the full purpose and accurate amounts of monies received and paid out by the Corporation are properly documented.
- H. Ensure that all monies paid out by the Corporation are in strict compliance with the approved Corporation budget.
- I. Sign any reports pertinent to the finances or financial status of the Corporation, its programs or Projects, which may be required by the Board or the Council.
- J. Perform all other tasks incidental to the office of Treasurer as may be required by the Board.

6.4 The Secretary of the Board (the "Secretary"). The Secretary shall be the principle administrative officer of the Corporation and, subject to the will of the Board, shall assume general responsibility for all administrative matters associated with the Corporation and its programs and Projects. In the absence of the Secretary, the President may appoint another person to act as secretary. Within this context, the Secretary shall:

- A. In the absence of a professional chief administrative officer or executive director assume the management duties of chief administrative officer of the Corporation.
- B. Establish or approve the administrative policy of the Corporation.
- C. Ensure that the Corporation shall keep correct and complete administrative records and shall also keep minutes of the proceedings of the Board and committees having been delegated any authority of the Board. All books and records of the Corporation may be inspected by any director or his or her agent or attorney at any reasonable time; at all times the Council shall have access to the books, records and financial statements of the Corporation.
- D. Attend to giving and serving notices.
- E. Be authorized to attest or co-sign with the President, in the Corporation's name, all contracts, conveyances, franchises, bonds, deeds, assignments, notes or other instruments of the Corporation.
- F. The Secretary shall ensure
- G. Perform all other general duties incident to the office of Secretary as the Board may require

6.5 Officers shall serve without compensation but shall be reimbursed for actual expenses incurred by them in performance of their official duties following submission of a request for reimbursement accompanied by receipts verify the amounts claimed.

Article Seven

Meetings

7.0 General Provisions. The Board may hold its meetings at any place authorized by the Act and as the Board may from time to time determine provided that, in the absence of such determination by the Board, the meetings shall be held at the principle office or at the City Council Chambers of the City, at 5:35 p.m. on the second Monday of each odd numbered month. Meetings shall conducted in accordance with the Act and the Texas Open Meetings Act, Chapter 551, Texas Government Code, as amended.

- 7.1 Regular Meetings. Regular meetings of the Board shall be held as specified at Section within the limits of the City as such times as designed, from time to time, by resolution of the Board. Notice of regular meetings shall be given to each Director and the public notice of each meeting shall be given in the manner prescribed by law.
- 7.2 Special Meetings. Special meetings of the Board shall be held within the limits of the City whenever called by the President of the Board, the Secretary of the Board, by a majority of the Directors or upon the advise or request of the Council. The Secretary of the Board or his/her designee shall give or cause public notice to be given of each special meeting to each Director either by mail, telephone, telegraph, fax, e-mail or in person at least seventy-two (72) hours before the meeting.
- 7.3 Notice of Meetings. Notice of regular meetings shall be given in accordance with law. The Secretary or his/her designee shall give or cause public notice to be given of each special meeting. Special notice of each special meeting shall also be given to each Director by mail, telephone, fax, e-mail or in person at least seventy-two (72) hours before the meeting. Notice of an emergency meeting must be given at least two (2) hours prior to the meeting. Notice required by law to any other person or entity shall be given in the manner prescribed by law. Except as otherwise provided by law or unless otherwise indicated in the notice thereof, and any all matters pertaining to the purpose of the Corporation may be considered and acted upon as described in the notice of meeting.
- 7.4 Records of Meetings. Records of Meeting shall be as follows:
- A. Verbatim Recorded Transcripts of Meetings. The verbatim transcript of meetings shall be recorded on magnetic tape or other audio/visual media. Recordings of meetings shall be secured and accessible to the President, Secretary and designed Corporate staff. Copies and shall be otherwise managed in accordance with Texas Open Meetings Act, Chapter 551, Texas Government Code. Texas Open Meetings Act, Chapter 551, Texas Government Code
 - B. Written Record of Meetings. The Minutes of meetings shall be the official written record of Board meetings and shall be taken and kept in accordance with Section 551.021 Texas Government Code. As determined by the Board, minutes may be verbatim transcripts of meeting recordings or a summary of major points of discussion and action taken at a meeting.
 - C. Public Access to Recordings and Minutes. Recordings and Minutes of meetings, except recordings and Minutes made at executive, closed session, shall be listened to, viewed or read by the public upon written request. However, at no time will the recording or official Minutes leave the physical custody of an officer of staff member of the Corporation. Copies of recordings and/or minutes shall be provided to the public upon receipt of a written request and upon payment of an amount equal to the actual cost of time and materials, if any, and a fee and \$0.15 per page for copies in excess of ten (10) pages.
- 7.5 Quorum. A majority of the Directors fixed by these Bylaws shall constitute a quorum for consideration of matters pertaining to the purposes 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, unless law requires the act of a greater number.
- 7.6 Action Without a Meeting of Directors. To the extent permitted by and not inconsistent with law, any action that may be taken at a meeting of the Board may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by all Directors then in office. Such consent shall have the same force and effect as a unanimous vote of the Board and may be stated as such in any articles or document filed with the Secretary of State or any other person.

7.7 Conduct of Business. Meetings shall be conducted in accordance with Robert's Rules of Order and in a manner and order as portrayed in the meeting agenda.

Article Nine

Committees

The President of the Board shall have the authority, subject to approval of the Board, to form and appoint one (1) or more persons, who might be a Director or other citizen of Wood County, to standing, special/ad hoc committees when such formation is deemed necessary to ensure the effective, efficient and successful fulfillment of the purposes of the Corporation. Committee members shall serve without compensation but shall be reimbursed for actual expenses incurred by them in performance of their official duties as committee members upon submission of a request for reimbursement accompanied by receipts validating the amounts of reimbursement requested.

Article Ten

Corporate Attorney and Corporate Accountant

The Board shall, at its discretion, select the Corporate Attorney and Corporate Accountant whose services may be contracted for and whose term of service, compensation, etc., shall be specified in such contract. A Corporate Attorney and/or a Corporate Accountant employed exclusively to serve the interests of the Corporation shall, however, be subject to the same general regulation as applicable to other corporate executive staff.

Article Eleven

The Bylaws

These Bylaws, and any amendment hereto, shall become operative upon adoption by the Board of Directors, Quitman Economic Development Corporation and finally effective on the date approved by the Council. They shall be construed to effectuate the purposes set forth herein. If any word, phrase, clause, sentence, paragraph, section or other part of these Bylaws, or the application thereof to any person or circumstance, 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.

**Adopted by Majority Vote of the Board of Directors
of the
Quitman Development Corporation
on the
The Thirteenth Day of October, 2008**

**Randy Dunn, President of the Board
Quitman Development Corporation**

**Attest: Charles E. Thompson, Secretary
Quitman Development Corporation**