PFLUGERVILLE COMMUNITY DEVELOPMENT CORPORATION BYLAWS

ARTICLE I. INTENT AND PURPOSE

1.01 **Articles of Incorporation**. The Pflugerville Community Development Corporation (the "Corporation") was created by its Articles of Incorporation ("Articles") adopted August 11, 2001. The Articles also specify many of the rules for operation and function of the Corporation. These By-Laws further define the operations and functions of the Corporation that are not addressed by the Articles or Texas law for Type B corporations.

1.02 **Purpose.** The purpose of these by-laws is to establish the duties of the Board of Directors, its officers, committees, meetings, executive staff, and related affairs. These bylaws are a supplement to all existing applicable statutes.

1.03 **Location**. The office of the Corporation shall be located at an address within the Pflugerville city limit.

ARTICLE II. BOARD OF DIRECTORS

2.01 **Board of Directors**. The business and affairs of the Corporation shall be managed by a Board of Directors ("Board") as established in the Articles of Incorporation. The Board is composed of seven persons appointed by the City Council. No more than one City Councilmember shall serve on the Board.

2.02 **Bonding.** The Corporation shall require and provide a bond for each Director of the Board for the faithful discharge of his or her duties in such sum set by the Board.

2.03 **Training**. Each Director of the Board shall attend a Sales and Use Tax class as soon as possible upon appointment but no later than six months after appointment.

ARTICLE Ill. OFFICERS

3.01 **Compensation of Board of Directors and its Officers**. Board Directors and Board Officers shall not receive any salary for their services.

3.02 **Officers.** The officers of the Corporation shall be a President, Vice-President, Secretary, and Treasurer. The Board, at each Annual Meeting, shall elect these officers for a one-year term. No person shall hold more than one office at one time. No employee, City Official, or City Councilmember shall serve as an officer.

3.03 **President.** The President shall preside at all meetings of the Board. He or she shall have power to 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.

3.04 **Vice-President.** In the absence or disability of the President, the Vice-President shall perform the duties and exercise the powers of the President.

3.05 **Secretary**. With the assistance of corporate staff, the Secretary shall keep the minutes of all meetings of the Board; shall provide all notices; may sign with the President, or the Vice-President, in the name of the Corporation, all contracts and instruments of conveyance authorized by the Board; shall have charge of the records of the Board; present the minutes to the Board, and shall in general perform all the duties incident to the office of secretary, subject to the control of the Board. Records of the Corporation shall be maintained and filed in the office of the Corporation. The Secretary shall execute all documents required to be signed by the Secretary. In the absence or disability of the President and the Vice-President, the Secretary shall perform the duties and exercise the powers of the President.

3.06 **Treasurer.** The Treasurer shall have custody of all funds and securities of the Corporation and shall endorse on behalf of the Corporation for collection, checks, notes and other obligations and shall deposit the same to the credit of the Corporation in such bank or depository as the Board may designate. The Treasurer shall ensure financial documents and reports are prepared and audits are accomplished.

Whenever required by the Board, the Treasurer shall render a statement of the Corporation's financial account(s) and perform all acts incident to the position of treasurer, subject to the control of the Board. All written statements and accounts shall be maintained and filed in the office of the Corporation. In the absence or disability of the President, and the Vice-President and the Secretary, the Treasurer may perform the duties and exercise the powers of the President.

3.07 **Election of Officers** Nominations for all officer positions shall be made from the floor and voted on separately by voice vote. In the event of a vacancy, the Board, as soon as practical, shall elect a Director of the Board to serve the remainder of the officer's term.

ARTICLE IV. COMMITTEES

4.01 **Committees and Sub-Committees**. The Board may, by resolution, appoint from time to time temporary committees or subcommittees to aid the Board and the Executive Director in its projects. In no event may a majority of the Board be appointed to any Committee, nor more than two Directors of the Board be appointed to any subcommittee. The Board may appoint Directors or other individuals to serve as representatives of the Corporation.

ARTICLE V. MEETINGS

5.01 **Regular Meetings**. Days, times, and locations of Regular Meetings shall be set by Resolution and provided to the City Secretary.

5.02 **Annual Meeting**. The Annual Meeting of the Board shall be normally held at the first Regular Meeting in January of each year, or as soon thereafter as reasonably feasible, unless changed by Board Resolution. At the Annual Meeting, the Board shall elect officers, adopt a Calendar, review and amend as necessary all corporate policies and receive updates on Legislative changes and court opinions.

5.03 **Special Meetings**. Special Meetings of the Board may be called by the President.

5.04 **Notice**. The President shall give notice of the time, place, and location of each meeting. Notice shall be sent to each Director of the Board, Executive Director, and General Counsel not less than 72 hours prior to the start of the meeting. In the event of a cancellation, notice shall be provided to the individuals stated above. All notices shall be made in writing via electronic mail, in person, or by telephone. Public notice shall be in accordance with State law.

5.05 **Quorum**. A majority of the membership of the Board, including vacancies, shall constitute a quorum for the transaction of business.

5.06 **Order of Business**. The order of business shall be determined by the President. In the event a question of procedure is not addressed by these by-laws, then the latest edition of Robert's Rules of Order shall be used as a guide for the board to consider.

5.07 **Presiding Officer**. At all meetings of the Board, the President, or in the President's absence, the Vice-president shall be the presiding officer. In the absence of both of these officers, the Secretary, shall preside, or in the absence of all three of these officers, the Treasurer shall preside. The Secretary shall sit as Secretary at all meetings of the Board.

5.08 **Motions and Voting.** All Board Directors are permitted to make motions and vote on pending motions. For action to be considered on a motion, the motion of a Board Director shall be made by one Director and seconded by another Board Director. Four (4) affirmative votes are required to pass any motion.

5.09 **Voting Requirement**. All motions and resolutions of the Board must be voted upon by voice vote. In the case of a Director having a legal conflict of interest, stated upon the record and filed on the appropriate forms, that Director must not vote. At the President's discretion, a roll call vote may be taken on any motion in the order as determined by the President.

5.10 **Preparation of Agenda**. The President is responsible for setting the agenda for all Board meetings. Two or more board Directors may add an item to an agenda by a request in writing delivered to the President and Executive Director.

5.11 **No Videoconferencing**. No Director shall participate in any meeting by videoconference.

ARTICLE VI. EXECUTIVE STAFF

6.01 **Executive Director**. The Board of Directors shall appoint an Executive Director for the corporation who shall act as the Chief Administrative Officer. The Executive Director shall be a competent economic development professional with at least five years of experience managing Texas Type B Corporations. The Executive Director shall implement general policies established by the Board, conduct day-to-day operations of the corporation in accordance with the Articles of Incorporation, these Bylaws, Board directives and serve as the Authorized Agent for the Corporation as permitted by law. The Executive Director shall represent the Corporation before the City Council, in all economic development negotiations, at corporate activities and events and as the Corporation's media spokesperson. The Executive Director shall hire and fire support staff to assist with operations as necessary to conduct the business of the Corporation subject to the Board's approval of a budget to do so and any other necessary authorizations. The Executive Director is responsible for the financial management of the Corporation and shall prepare and administer annual budgets as adopted, provide forecasting, oversee annual audits and make financial recommendations to the Board. The corporation shall require and pay for a bond for the Executive Director to ensure the faithful discharge of the duties of the position in a sum set by the Board.

6.02 **General Counsel.** The Board shall appoint a General Counsel, who shall be a competent attorney, in good standing, and duly licensed to practice law in Texas. The attorney must have at least five years of experience representing Texas B Corporations. General Counsel shall receive compensation as fixed by the Board. General Counsel shall be the legal advisor and attorney for the Corporation and its Board of Directors in the conduct of corporate business. General Counsel shall report directly to the Board of Directors and shall serve at the will of the Board. General Counsel shall represent the corporation in all corporate legal matters including litigation; however, the Board may retain special counsel at any time it deems necessary or advisable

ARTICLE VII. FISCAL YEAR

7.01 **Fiscal Year and Annual Corporate Budget.** The fiscal year of the Corporation is October 1 through September 30. At least 30 days prior to the commencement of each fiscal year, the Board shall adopt and subsequently present to City Council for approval, an annual budget illustrating anticipated revenues and proposed expenditures for the next ensuing fiscal year.

7.02 **Negotiable Instruments**. All checks, drafts, loans, notes or other obligations or instruments of the Corporation (hereinafter referred to as "negotiable instruments") shall be signed by such of the Officers of the Corporation as may be authorized by the Board by written resolution. The President and the Treasurer of the Corporation are automatically designated as such officers authorized to execute negotiable instruments on behalf of the Corporation. The issuance of checks and use of corporate credit cards by designated personnel may be authorized by policy set by Board resolution, with oversight of the Board Treasurer. The execution of all other negotiable instruments on behalf of the Corporation, must be executed by at least two officers of the corporation. All negotiable instruments other than checks and the usage of corporate credit cards must be approved

by the Board by the passage of a Resolution of the Board, evidencing the authorization prior to acquisition of anything of value by the Corporation.

7.03 **Board Independence.** All Board Directors and employees of the corporation are prohibited from participating in financial transactions with economic development prospects where terms and conditions of any transaction are not openly offered and made available to the general public at the same price (i.e. the public sale of goods or services at a fee by a business that demonstrates no special benefit are excluded from this prohibition).

7.04 **Quarterly Annual Budget Reconciliation, Monthly Cash Flow Projection Report, and General Ledger.** On a quarterly basis, the Board shall present an amended budget for the current fiscal year to the City Council. On a monthly basis, the Board shall forward to the City for City Council consideration, a monthly Cash Flow Projection Report and General Ledger illustrating anticipated income and expenditures of the Corporation for the next quarter.

7.05 **Investment & Reserve Policies.** The Corporate Investment Policy and Reserve Policy shall be prepared and reviewed annually with the Annual Budget and presented to the City Council for approval with the Annual Budget.

7.06 **Board Approval Requirement – Specificity**. The payment of an expense for any good or service, including real property transactions, in excess of the amount expressly authorized to the Executive Director by the Board must be approved by the Board prior to the expense being incurred. Any payment of an expense that is not listed on the anticipated expenditure report, either independently or in the aggregate, in an amount over $50,000 must be approved by the City Council prior to the expenditure being made. The Board, by resolution, shall establish the Executive Director's spending limits and provide for procurement procedures.

7.07 **Annual Audit Reconciliation Requirement.** Each annual audit must require the all audited funds reconcile and all errors on the budget noted to be eligible for approval by the Board.

ARTICLE VIII. MISCELLANEOUS

8.01 **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, it may be given in writing by electronic mail, or by depositing it in the post office in a postpaid envelope or postal card addressed to the Director or officer, at the address as 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.

8.02 **Resignations**. Any Director of the Board or officer may resign with or without notice. Resignations shall be made in writing or announced at a Board meeting and recorded in the minutes. Resignations shall take effect at the time specified in the resignation. If no time is specified, the resignation shall be effective at the time of its receipt by at a Board meeting. Board acceptance of a resignation is not necessary to make it effective. Three consecutive, unexcused absences from regular meetings shall be considered a voluntary resignation from the Board.

8.03 **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 minute order duly adopted by the City Council.

8.04 **Quarterly Activity Report**. The Board shall prepare a Quarterly Activity Report, summarizing the projects and work accomplished by the Corporation during the previous quarter for City Council consideration.

ARTICLE IX. PROVISIONS REGARDING BYLAWS

9.01 **Effectiveness.** These Bylaws shall become effective upon the adoption of a resolution approving these Bylaws by the City Council.

9.02 **Amendment.** These Bylaws may be amended at any time and from time-to-time by majority vote of the Directors or by the City Council, as approved by the City Council by Resolution.

9.03 **Interpretation.** 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, is ever held 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.

I hereby certify that the foregoing Bylaws are the true and correct Bylaws of the Corporation as adopted by the Board on the 26th day of August, 2016.

George Cudd, Secretary