

BY LAWS OF PITTSBURG ECONOMIC DEVELOPMENT CORPORATION

ARTICLE I PURPOSE AND POWERS

Section 1. Purpose. The Corporation is incorporated for the purpose set forth in Article Four of its Articles of Incorporation, the same to be accomplished on behalf of the City of Pittsburg, Texas (the “city”) as its duly constituted authority and instrumentality in accordance with the Texas Development Corporation Act of 1979, as amended Article 5190. 6 Vernon’s Texas Civil Statutes, as amended, (the “Act”), and other applicable laws.

Section 2. Power. In the fulfillment of its corporate purpose, the Corporation shall be governed by the Section 4B of the Act, and shall have all the powers set forth and conferred in its Articles of Incorporation, in the Act, and in other applicable law, subject to the limitations prescribed therein and herein and to the provisions thereof and hereof.

ARTICLE II BOARD OF DIRECTORS MEMBERSHIP

The City Council of the City of Pittsburg shall appoint or remove by majority vote of a quorum of City Council Members. Members of the Board will be selected from applications received from those that have a vested interest in the Pittsburg Economic Development Corporation.

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 the law, by the Articles of Incorporation, and by these Bylaws, the Board shall exercise all the powers of the Board of Corporation.

(b) The Board shall consist of seven (7) directors, each of whom shall be appointed by the City Council (the “city council”) of the City. Each director shall occupy a place (individually, the ‘Place’ and collectively, the ‘Places’) as designated herein. Places 1-2 are designated for Councilmember directors and Places 3-7 are designated for Citizen member directors.

(c) The directors constituting the first Board shall be those directors named in the Articles of Incorporation. Successor directors shall have the qualifications, shall be of the classes of directors, and shall be appointed to the terms set forth in the Articles of Incorporation.

(c) Any director may be removed from office by the City Council at will.

Section 2. Eligibility. All application request to serve on this Board must go before the City Attorney to assure eligibility is met. Any person in arrears or delinquency of payment of taxes, utilities, or other

liabilities with the City of Pittsburg shall not be qualified to hold a position on the Board. At any time during their term that a director becomes in arrears or delinquent in taxes, utilities, or liabilities with the City of Pittsburg the director will be required to resign unless delinquency is paid in full.

(b) All directors must reside within Camp County, Texas.

Section 3. Training. All directors are required to complete the Texas Open Acts Training and become certified.

Section 4. Volunteer Hours. Each director is required to participate in no less than 12 hours a year for Board meetings. From time to time there may be other volunteer hours needed.

Section 5. Vacancies. In the event of a vacancy during the term of a director, the Board shall meet as soon as possible after the vacancy occurs in order to review the list of nominees. The Board will submit a recommendation for the appointment of the successor to fill the vacancy to the City Council. The appointment of a successor shall be for the balance of the unexpired term.

Section 6. Compensation of Board. Directors shall not receive any salary or compensation for their services as directors. However, they shall be reimbursed for their actual expenses incurred in the performance of their official duties as directors.

Section 7. Removal. Any member of the Board may be removed from their position on the Board for any reason, or for no reason, by a majority vote of the City Council.

ARTICLE III MEETINGS

Section 1. Meetings of Board. The directors may hold their meetings at such place or places in the City as the Board may from time to time determine; provided, however, in the absence of any such determination by the board, the meetings shall be held at the principal office of the Corporation as specified in the Article V of these Bylaws, City Hall.

Section 2. Agenda. Items may be placed on the agenda by the Chairman, Director of Community Development, City Manager, City Mayor, or at the request of a member of the board. The party requesting the agenda item will be responsible for preparing an agenda item cover sheet and for the initial presentation at the meeting. Items included on the agenda must be submitted to the Director of Community Development no later than one week before the Board meeting at which the agenda item will be considered. Agenda packets for regular meetings will be provided to members of the Board in advance of the scheduled Board meetings.

Section 3. Notice of Meetings. (a) Regular meeting of the Board shall be held without the necessity of notice to the directors at such times and places as shall be designated from time to time by the Board. Special meetings of the Board shall be held whenever called by the president, by the secretary (director

of community development), by a majority of the directors, by the Mayor of the City or by a majority of City Council.

(b) The Secretary (Director of Community Development) for the City of Pittsburg, shall give notice to each director of each special meeting by email or telephone in accordance with the Texas Open Meetings Act, Article 6252-17, Vernon's Ann. Civ.St., as amended. Unless otherwise indicated in the notice thereof, any and all matters pertaining to the purposes of the Board may be considered and acted upon at a special meeting. At any meeting at which every Board Member shall be present, even though without any notice, any matter pertaining to the purpose the Board may be considered and acted upon consistent with applicable law.

Section 4. Quorum. A majority of the directors shall constitute a quorum for the conduct of the 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, unless the act of a greater number is required by law.

Section 5. Attendance. Members of the Board with three consecutive absences from the regular meetings called with three days prior notice will be contacted by either the Office of Community Development or President of this Corporation to ensure that the director still wishes to serve on the Corporation.

Section 6. 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 Texas Open Meetings Act. Article 6252-17, Vernon's Ann.Civ.St, as amended. Only items on the agenda will be discussed during a meeting and voting will only take place on action items from the agenda.

Section 7. Conduct of Business. (a) At the meetings of the Board, matters pertaining to the business of the Corporation shall be considered in accordance with rules of procedure as from time to time prescribed by the Board.

(b) At all meetings of the Board, the chairperson of the board shall preside.

(c) The Director of Community Development for the City of Pittsburg, or appointed member of the Board, shall act as secretary of all meetings of the Board.

Section 8. Committees of the Board. The Board may designate two (2) 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 Board may be exercised only by the Board. Each committee so designated shall keep regular minutes of the transactions of its meeting and shall cause such minutes.

ARTICLE IV OFFICERS

Section 1. Titles and Term of Office. (a) The officers of the Corporation shall be an executive director of the board of directors, a president, a vice president, a secretary, and a treasurer, and such other officers as the Board may from time to time elect or appoint. Terms of office shall be two (2) years with the right of an officer to be reelected. The executive director of the Board shall be the City Manager of the City of Pittsburg, and shall be charged with the daily operation of the Corporation.

(b) The executive director and all officers shall be subject to removal from office at any time by a vote of a majority of the City Council.

(c) A vacancy in the office of any officer shall be filled by a vote of the majority of the directors and City Council.

Section 2. Powers and Duties of the President. The president shall be the chief operating 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, and execute all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments in the name of the Corporation. The President shall serve as Chairperson of the Board of Directors and shall preside over the regular meetings.

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, in their respective order. Any action taken by the vice president in the performances of the duties of the president shall be conclusive evidence of the absence or inability to act of the president at the time such action was taken. The vice president will preside over the regular meetings if the president is absent or unable to do.

Section 4. Treasurer. The City Secretary of the City shall be the treasurer. The treasurer shall be the Chief Fiscal Officer of the Corporation, and 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, as set forth herein, endorse and sign, on behalf of the Corporation, for collection of issuance, checks, notes, and other obligations in or drawn upon such bank, 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 shall, at the expense of the Corporation, give such bond for the faithful discharge of their duties in such form and amount as the Board or the City Council may require.

Section 5. Secretary. The Office of Community Development shall be the secretary of the Corporation. The secretary shall keep the minutes of all meetings of the board in books provided for that purpose, shall give and serve all notices, 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 instruments, except the 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.

Section 6. Compensation. Officers 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 Chairperson.

ARTICLE V

FUNCTIONAL DUTIES AND REQUIREMENTS

Section 1. Pittsburg Economic Development Corporation Plan

(a) It shall be the duty and obligation of the Board to adopt a PEDC Economic Development Plan and from time to time to review and update the plan.

(b) It shall be the duty and obligation of the Board, in coordination with the necessary contracting parties to finance the Pittsburg Economic Development Corporation Plan subject to approval or disapproval by City Council. The Board shall periodically submit reports to the City Council as the status of its activities in carrying out its obligations under this section.

(c) In carrying out its obligations under subsection (b), the Corporation shall, subject to approval of the City Council, be authorized to exercise all rights and powers granted under the act, including, but not limited to Section 4B thereof, and with the objective and for the purpose of developing and diversifying the economy of the State of Texas and the City, and the elimination of unemployment and underemployment in the State and the City and the expansion of commerce within the State.

(d) 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.

(e) Any and all agreements between the Corporation and other parties shall be authorized and approved by the City Council.

Section 2. Annual Corporate Budget. Prior to the commencement of each fiscal year of the Corporation, the Board shall adopt a proposed budget of the expected revenues from sources set out in Section 5 of the article of proposed expenditures for the next ensuing fiscal year. The budget shall contain such classifications and shall be in such form as may be prescribed from time to time by the City Council. 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 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 the 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 selected by the City Council. Such audit shall be at the expense of the 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, subject to approval of the City Council, 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 or 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 investment of the public funds of the City. The Board shall designate the accounts and depositories to be created and designated for such purposes, and methods of withdrawal of funds therefrom for use by and for the purpose of the Corporation under the signature of its treasurer and such other persons as the Board shall designate. The accounts, reconciliation, and investment of such funds and accounts shall be performed by the City.

(c) The depository of the City shall be the depository of the Corporation. The funds of the Corporation shall be kept separate from the funds of the City.

Section 5. Expenditures of Corporate Money. The sales and use taxes collected pursuant to Section 4B of the Act and the proceeds from 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 Corporation for any of the purposes authorized by the Act, subject to the approval of the City Council, and to the following limitations:

(i) Expenditures that may be made from a fund created with the proceeds of Obligations, and expenditures of monies derived from sources other than proceeds of Obligations may be used for the purpose of financing or otherwise providing one or more “Projects”, as defined in Section 4B of the act;

(ii) 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(e) of this Article.

(iii) All expenditure checks shall have two signatures, as required by the City expenditure requirements.

(1) One signature shall be by the City Manager

(2) One signature shall be by the City Secretary or City Mayor

Section 6. Issuance of Obligations. No Obligations, including refunding Obligations, shall be delivered by the Corporation unless the City Council shall have approved the issuance and sale of such Obligations.

ARTICLE VI
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 determined by the Board.

Section 4. Resignations. Any directors or officer may resign at any time. Such resignation 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 Chairperson. The acceptance of 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 by-laws refer to an approval by the City or refer to advice, approval or consent by the Council, such advice, approval or consent shall be evidenced by a certified copy of an ordinance duly adopted by the City Council.

Section 6. Services of City Staff and Officers. Subject to the paramount authority of the City Manager, the Corporation shall have the right to utilize the services and the staff and employees of the City, provided (i) that the Corporation shall pay reasonable compensation to the City for such services, and (ii) the performance of such services does not materially interfere with other 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 or the City 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 attorney's 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. The attorney for the Corporation is authorized to provide a defense for members of the Board, officers and employees of the Corporation.

ARTICLE VII
EFFECTIVE DATE, AMENDMENTS

Section 1. Effective Date. These Bylaws shall become effective upon the occurrence of the following events:

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

Section 2. Amendments to Articles of Incorporation and Bylaws. These 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.