

**BYLAWS
OF
OAK RIDGE NORTH ECONOMIC DEVELOPMENT CORPORATION**

These Bylaws govern the affairs of OAK RIDGE NORTH ECONOMIC DEVELOPMENT CORPORATION (the "Corporation"), a nonprofit corporation organized under Article 5190.6 V.T.C.S., the Development Corporation Act of 1979 (the "Act") and Governed by Sec. 4B of the Act.

ARTICLE I

PURPOSES

General Purposes

1.01. The Corporation acts on behalf of the City of Oak Ridge North, Texas in furtherance of the public purposes of the Act and may engage in any project authorized under Sec. 2(10) or Sec. 4B of the Act.

Powers

1.02. The Corporation has all the powers, both express and implied, granted to corporations governed by Sec. 4B of the Act.

ARTICLE II

OFFICES

Principal Office

2.01. The principal office of the Corporation in the State of Texas is located at 27424 Robinson Road in Oak Ridge North, Texas. The Board of Directors may provide for additional offices or change the location of any office, provided said locations are within the boundaries of the City of Oak Ridge North.

2.02. The Corporation shall comply with the requirements of the Act and maintain a registered office and registered agent in Texas. The registered office may, but need not to, be identical with the Corporation's principal office in Texas. The Board of Directors may change the registered office and the registered agent as provided in the Act.

EXHIBIT A

ARTICLE III

BOARD OF DIRECTORS

Management of the Corporation

3.01. The affairs of the Corporation shall be managed by the Board of Directors.

Number, Qualifications and Tenure of Directors

3.02. The Board of Directors shall consist of seven members appointed by the City Council of the City of Oak Ridge North, Texas, for staggered two-year terms of office. Not less than three (3) directors shall be persons who are not employees, officers or members of the governing body of the City of Oak Ridge North, Texas. Not less than two (2) directors shall be members of the governing body of the City. The terms of four (4) directors shall begin on November 1 of each odd numbered year and expire on October 31 of the next following odd numbered year. The terms of three (3) directors shall begin November 1 of each even numbered year and expire on October 31 of the next following even numbered year. Each director must reside within the City of Oak Ridge North, Texas.

Vacancies

3.03. A vacancy occurring upon the Board of Directors shall be filled for the unexpired term by the governing body of the City of Oak Ridge North.

Annual Meeting

3.04. The annual meeting of the Board of Directors shall be held during the month of November of each year. The Board of Directors shall designate the time and location of the annual meeting which shall be held in the principal offices of the Corporation.

Regular Meetings

3.05. The Board of Directors may provide for regular meetings by resolution stating the time and place of such meetings. The meeting shall be held within the City of Oak Ridge North, Texas, at the principal offices of the Corporation or at such other location as the Board of Directors may designate. Attached as Exhibit "A," Resolution No. EDC-2015-02, adopted by the Oak Ridge North City Council on October 19, 2015, designates the third Monday of February, May, August, and November of each year as the regular scheduled meetings of the Board of Directors. The regularly scheduled November meeting shall be the annual meeting of the Board of Directors.

Special Meetings

3.06. Special meetings of the Board of Directors may be called at the request of the President, City Manager, or any two directors. A person or persons calling the meeting shall fix the time and location of the meeting, which meeting shall be conducted within the City of Oak Ridge North, Texas,

Amended by EDC Resolution 2015-02 (10/19/2015)

and shall designate the limited items to be discussed in that special meeting. The person or persons calling a special meeting shall notify the Secretary of the Corporation of the information required to be included in the notice of the meeting. In addition to the posting of a meeting notice in accordance with these Bylaws, a copy of each such meeting notice shall be delivered to each director not less than seventy-two (72) hours before the time of the meeting. A meeting notice shall be deemed delivered to any director when deposited in the United States mail addressed to the director at his or her address as it appears on the records of the Corporation. Such additional notice may be waived in writing by a director at any time either before or after the time of the meeting and such additional notice shall be deemed waived by attendance.

Notice of Meetings

3.07. The Board of Directors shall be considered a “governmental body” within the meaning of Texas Government Code, Sec. 551.001, and notice of each meeting shall be given in accordance with the provisions of Texas Government Code, Chapter 551 (The Texas Open Meetings Act).

Quorum

3.08. Four (4) directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. The presence of a director may not be established by proxy. No business shall be conducted, nor shall any action be taken by the Board of Directors in the absence of a quorum.

Duties of Directors

3.09. Directors shall exercise ordinary business judgment in managing the affairs of the Corporation. In acting in their official capacity as directors of the Corporation, directors shall act in good faith and take actions they reasonably believe to be in the best interests of the Corporation or which would not be unlawful. A director shall not be liable if, in the exercise of ordinary business judgment, a director acts in good faith relying on written financial and legal statements provided by an accountant, financial advisor or attorney retained by the Corporation. Appropriate insurance for the benefit of the directors is hereby authorized, and may be obtained and funded by the Corporation upon vote of its directors.

Actions of Board of Directors

3.10. The Board of Directors shall generally adhere to Roberts Rules of Order, revised, although it may be appropriate to conduct meetings informally when possible. However, the vote of a majority of directors present at a meeting at which a quorum is present shall be sufficient to constitute the act of the Board of Directors.

Proxy Voting Prohibited

3.11. A director may not vote by proxy.

Removal of Directors

3.12. The Board of Directors and each member thereof serves at the pleasure of the City Council of the City of Oak Ridge North, Texas, which may remove any director at any time, either with or without good cause.

Board Affiliates

3.13. By holding any one of the following positions:

- (a) Mayor of the City of Oak Ridge North; or
- (b) Chairman of the Planning and Zoning Commission of the City of Oak Ridge North;

the holder of such office shall be deemed a board affiliate, unless and except in such case as said individual has also been elected as a director pursuant to the Articles of Incorporation and Bylaws of the Corporation. Said board affiliate is not a member of the Board of Directors and holds none of the powers or duties of a director, and has no authority or vote, and is not an agent of the Corporation solely by virtue of being a board affiliate, may not attend executive sessions of the Board of Directors, if such executive sessions are deemed necessary under the law, and may not hold an office of the Corporation for which a director is required. If an individual who, by position, would be a board affiliate, otherwise serves as a duly elected director, the board affiliate position for that individual shall not be filled.

Committees of Directors

3.14. The Board of Directors may by resolution establish one or more special or standing committees of its members. Such committees shall have the powers, duties and responsibilities established by the Board, and may consist of directors, board affiliates, residents of the City of Oak Ridge North and owners of businesses in the City of Oak Ridge North. The committees shall keep regular minutes of their meetings and report the same to the Board of Directors when required. Committees composed of less than a quorum of the Corporation shall be considered "advisory committees," shall have no power to act on behalf of the Corporation and shall not be considered a "governmental body" within the meaning of Texas Government Code Sec. 551.001; and notice of each such "advisory committee" meeting need not be given in accordance with the provisions of Texas Government Code, Chapter 551 (The Texas Open Meeting Act).

ARTICLE IV

OFFICERS

Officer Positions

4.01. The officers of the Corporation shall be a President, a Vice President, a Secretary, and a Treasurer.

Election and Terms of Officers

4.02. The officers of the Corporation shall be elected annually by the Board of Directors at the regular annual November meeting.

Removal of Officers

4.03. Any officer may be removed by the Board of Directors at any time, with or without good cause. The removal of an officer does not also result in the removal of such person as a director of the Corporation.

Vacancies

4.04. A vacancy in any office may be filled by the Board of Directors for the unexpired portion of the officer's term.

President

4.05. The President shall be the Chief Executive Officer of the Corporation. The President shall supervise and control all of the business and affairs of the Corporation, and must be from among the members of the Board. The President shall preside at all meetings of the Board of Directors. When the execution of any contract or instrument shall have been authorized by the Board of Directors, the President shall execute same except where such power is expressly delegated to another office of the Corporation. The President shall perform other duties prescribed by the Board of Directors and all duties incident to the office of President.

Vice President

4.06. When the President is absent, is unable to act, or refuses to act, the Vice President shall perform the duties of the President. When acting in place of the President, the Vice President shall have all the powers and duties of the President and be subject to all of the limitations and restrictions placed upon the President. The Vice President must be elected from among the members of the Board.

Secretary

4.07. The Secretary shall:

- (a) Give all notices as provided in the Bylaws or as required by law;
- (b) Take minutes of the meetings of the Board of Directors and keep the minutes as part of the corporate records;
- (c) Maintain custody of the corporate records, authenticate corporate documents and affix the seal of the Corporation as required;
- (d) Keep a register of the mailing address of each director and officer of the Corporation;
- (e) Perform duties as assigned by the President or Board of Directors;
- (f) Perform all duties incident to the office of Secretary. The Secretary shall be elected from among the members of the Board.

Treasurer

4.08. The Treasurer shall:

- (a) Have charge and custody of and be responsible for all funds and securities of the Corporation;

- (b) Receive and give receipts for moneys due and payable to the Corporation from any source;
- (c) Deposit all moneys in the name of the Corporation in banks, trust companies, or other depositories as provided by these Bylaws;
- (d) Write checks and disburse funds to discharge obligations of the Corporation;
- (e) Maintain the financial books and records of the Corporation;
- (f) Prepare financial reports at least annually;
- (g) Perform other duties as assigned by the Board of Directors;
- (h) Perform all duties incident to the office of Treasurer. The Treasurer shall be elected from among the members of the Board.

Assistant Secretary

4.09. When the Secretary is absent, is unable to act, or refuses to act, the Assistant Secretary shall perform the duties of the Secretary. When acting in place of the Secretary, the Assistant Secretary shall have all the powers and duties as the Secretary and be subject to all the limitations and restrictions placed upon the Secretary. The Assistant Secretary may either be elected from among the members of the Board or the Board may elect the City Secretary or the Assistant City Secretary to fill this position.

Assistant Treasurer

4.10. When the Treasurer is absent, is unable to act, or refuses to act, the Assistant Treasurer shall perform the duties of the Treasurer. When acting in place of the Treasurer, the Assistant Treasurer shall have all the powers and duties as the Treasurer and be subject to all of the limitations and restrictions placed upon the Treasurer. The Assistant Treasurer may either be elected from among the members of the Board or the Board may elect the City Finance Officer to fill this position.

ARTICLE V

PROJECTS

Funding

5.01. It is the intent of the Economic Development Corporation to identify projects within the City of Oak Ridge North for funding. It is not the intent of the EDC to be responsible for ongoing operation of projects.

Projects within the City

5.02. Projects adopted by the EDC must be located within the boundaries of the City of Oak Ridge North.

Sponsoring of Projects

5.03. Under normal circumstances, projects for funding will be sponsored by the City of Oak Ridge North. A project for the City of Oak Ridge North will normally not be considered without the support of the City Council as evidenced by a vote noting the following:

- (a) That the project is supported by the Council;
- (b) That the City will enter into an interlocal agreement, as necessary, to take responsibility for all development and operational aspects of the project, including, but not limited to, the design, engineering, construction and maintenance of the project;
- (c) That the City will take responsibility for all costs not funded by the EDC;
- (d) That the Council finds that the project will advance the economic interests of the City of Oak Ridge North and/or is a type of project it believes is within the interest of the statute creating the EDC to be funded by the EDC.

Cost Projections

5.04. Projects presented to the EDC should provide an estimate of total cost, to include all cost aspects up to the full completion of the project. Consideration should be given at the minimum for costs related to land acquisition, equipment acquisition, design, engineering, consulting, legal, financing, construction, debt retirement and future maintenance. All costs to be funded by the EDC should be projected in the presentation.

Maintenance Costs

5.05. Funding of future maintenance costs, if funded by the EDC, will normally be based on the incremental increase caused by the completion of the project, and should be for a set period of time as determined by the Board. When setting such funding, a maximum amount will be set by the Board. Such request for additional maintenance funding shall not be considered a new project.

Publication

5.06. Prior to adoption of any project, the EDC shall made a finding that the project will advance the economic interests of the City of Oak Ridge North and/or is a type of project it believes is within the intent of the statute creating the EDC to be funded by the EDC. Upon adoption of a project, the EDC shall publish in the official newspaper of the City of Oak Ridge North notification that said project has been adopted.

60-Day Period

5.08. No funding of a project shall occur until at least one public hearing regarding the project has been held within the City of Oak Ridge North by the EDC. The EDC may expend project funds no earlier than the 60th day after the date notice of the specific project or general type of project is first published.

Consideration of Comments

5.09. No funding of a project shall occur until the EDC has met on at least one occasion following the Public Hearing to consider the comments of the citizens.

Petition

5.10. If notified by the City of Oak Ridge North that a petition has been received no later than the 60th day after the date notice of the specific project or general type of project is first published by the City asking for an election on a project, no funding of that project shall occur until the City has notified the EDC either that no election will be called or that, if an election has been called, the project has been approved by the voters.

Pre-Existing Projects

5.11. It is not the intent of the EDC to adopt projects that have been completed prior to the existence of the Corporation.

ARTICLE VI

LOANS

Expectation

6.01. It is not the expectation of the EDC that it will make direct loans to individuals or entities.

Setting of Guidelines

6.02. Notwithstanding the above (6.01), it is appropriate for the EDC to set guidelines for the consideration of such applications for loans as the making of loans for the economic development of the City is within the clear intent of the statute creating the Corporation.

Loans to Private Persons

6.03. Application for loans to individuals or private entities should be presented to the Corporation by a formal letter proposal to the President.

- (a) seeking action by the Board and stating fully the purpose, amount, security and repayment process, and
- (b) advising the Board of all other sources solicited for loans or other economic assistance, and the status of each such application or solicitation, and
- (c) explaining the economic benefit to be obtained by the residents of the City if the loan is approved, and
- (d) fully revealing the applicant's credit worthiness, expectation of revenue, credit history and ability to repay.

Security

6.04. It is expected that all loans shall be secured by a deed of trust naming the Economic Development Corporation as the first lien holder on such debt.

Discretion

6.05. Each such application will be handled individually, with full discretion resting with the Board as to whether such application shall be accepted or rejected, or whether further consideration, upon the presentation of additional information, is appropriate.

- (a) The Board need not advise the applicant as to the reasons for its decision unless those reasons are also to be announced publicly.
- (b) The Board need not hear publicly from the applicant.

Finding of Economic Interest

6.06. Before such loan is approved, the EDC must formally find and publicly state the economic interest of the general population of the City which will be advanced by the making of the loan.

ARTICLE VII

OWNERSHIP OF PROPERTY

It is not the expectation of the EDC that it will own any real property for the benefit of the citizens of Oak Ridge North, except in conjunction with a project pursuant to Article V above. Further, it is not the expectation of the EDC that it will own any real property for an extended period of time.

ARTICLE VIII

INDEBTEDNESS

Cash

8.01. When appropriate, and at the discretion of the Board, the EDC will fund projects, purchases and other expenses with cash attributable to its sales tax revenues.

Debt

8.02. When incurring debt, the EDC reserves full discretion as to the form, term amount, repayment process and cost of that debt.

Opportunity Fund

8.03. It will be the policy of the Board not to retain excess revenue beyond that amount deemed necessary and appropriate by the Board, after receiving the advice of its Financial Advisor. In those instances when the Board, within its discretion, determines that excess funds exist, it will be the policy of the Board to use those funds to reduce outstanding debt, if it exists, by prepaying principal in those situations when such prepayments are authorized under the lending documents.

ARTICLE IX

EXPENSES

Administrative Costs

9.01. It is expected that the EDC will incur expenses from time to time for administrative costs, including supplemental payments to the City for the City's increased staff costs as a result of the activity of the EDC, legal fees, engineering fees, financial consulting fees, professional fees, insurance costs and other expenses.

Payment

9.02. These fees may be paid by the Treasurer upon a vote of the Board, either in advance of being incurred or upon submission of an appropriate invoice.

ARTICLE X

TRANSACTIONS OF THE CORPORATION

Contracts

10.01. The Board of Directors may authorize any officer or agent of the Corporation to enter into a contract or execute and deliver any instrument in the name of or on behalf of the Corporation. This authority may be limited to a specific contract or instrument or it may extend to any number and type of possible contracts and instruments.

Banking

10.02. The Board of Directors of the Corporation shall maintain banking relationships with one or more banks to be the recipient of corporate funds, and for all other appropriate and necessary banking services as may be required. All checks issued by the Corporation in an amount greater than or equal to Two Thousand Dollars (\$2,000.00) shall be signed by at least two (2) members of the Board of Directors of the Corporation. All checks issued by the Corporation in an amount less than Two Thousand Dollars (\$2,000.00) shall be signed by at least one (1) member of the Board of Directors of the Corporation.

Potential Conflicts of Interest

10.03. The members of the Board of Directors are local public officials within the meaning of Texas 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 of Directors, the director shall file an affidavit with the Secretary of the Corporation stating the nature and extent of the interest. Such affidavit shall be filed prior to any vote or decision upon the matter by the Board of Directors, and the interested director shall abstain from any vote or decision upon the matter.

ARTICLE XI

BOOKS AND RECORDS

Required Books and Records

11.01. The Corporation shall keep correct and complete books and records of account. The Corporation's books and records shall include:

- (a) A file endorsed copy of all documents filed with the Texas Secretary of State relating to the Corporation, including, but not limited to, the articles of incorporation, any articles of amendment, restated articles, articles of merger, articles of consolidation, and statement of change of registered office or agent;
- (b) A copy of the Bylaws, and any amended versions or amendments to the Bylaws;
- (c) Minutes of the proceedings of the Board of Directors;
- (d) A list of names and addresses of the directors and officers of the Corporation;
- (e) A financial statement showing the assets, liabilities, and net worth of the Corporation at the end of the three most recent fiscal years;
- (f) A financial statement showing the income and expenses of the Corporation for the three most recent fiscal years;
- (g) All rulings, letters, and other documents relating to the Corporation's federal, state and local tax status;
- (h) The Corporation's federal state and local information or income tax returns for each of the Corporation's three most recent tax years.

Records Open to Public

11.02. The Corporation shall be considered a "governmental body" within the meaning of Texas Government Code, Sec. 552.003 and all records of the Corporation shall be made available to the public for inspection or reproduction in accordance with the requirements of Texas Government Code, Chapter 552 (The Texas Open Records Act).

Audits

11.03. The City Council of the City of Oak Ridge North, Texas may at any time require an independent audit of the Corporation's books to be conducted.

ARTICLE XII

FISCAL YEAR

The fiscal year of the Corporation shall begin on the first day of October and end on the last day of September.

ARTICLE XIII

ECONOMIC DEVELOPMENT ORGANIZATIONS

The Board of Directors is authorized to join as a member and commit funds of the Corporation to support organizations, councils, public corporations, committees, and other groups deemed by the Board of Directors to be committed to the economic development of the City of Oak Ridge North for the benefit and interests of the citizens of the City of Oak Ridge North.

ARTICLE XIV

AMENDMENTS TO BYLAWS

The Bylaws may be altered, amended, or repealed by the Board of Directors with the consent of the City Council of the City of Oak Ridge North, Texas.

ARTICLE XV

MISCELLANEOUS PROVISIONS

Legal Authorities Governing Construction of Bylaws

15.01. The Bylaws shall be construed in accordance with the laws of the State of Texas. All references in the 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 Development Corporation Act of 1979 applicable to corporations governed under Sec. 4B of that 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 such Act shall control.

Legal Construction

15.02. If any Bylaw provision 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.

Headings

15.03. The headings used in the Bylaws are used for convenience and shall not be considered in construing the terms of the Bylaws.

Seal

15.04. The Board of Directors may provide for a corporate seal. Such seal would consist of two concentric circles containing the words "Oak Ridge North, Texas" in the top portion of the seal, and Economic Development Corporation in the bottom portion of the seal.

Parties Bound

15.05. The Bylaws shall be binding upon and inure to the benefit of the directors, officers and agents of the Corporation and their respective heirs, executors, administrators, legal representatives, successors and assigns except as otherwise provided in the Bylaws.

Effective Date

15.06. These Bylaws and any subsequent amendments hereto, shall be effective of and from the date upon which approval has been given both by the Board of Directors and the City Council of the City of Oak Ridge North, Texas.