

**AMENDED BYLAWS
OF
SEALY ECONOMIC DEVELOPMENT CORPORATION**

These Bylaws govern the affairs of the SEALY ECONOMIC DEVELOPMENT CORPORATION (the "Corporation"), a nonprofit development corporation created pursuant to the Development Corporation Act of 1979, now Chapters 501 through 505 of the Texas Local Government Code (the "Act"), as amended, and other applicable laws.

ARTICLE 1

PURPOSE AND POWERS

Purpose

1.01 The Corporation is incorporated as a nonprofit corporation for the purpose set forth in the Articles of Incorporation. The Corporation acts on behalf of the City of Sealy, Texas, in furtherance of the public purpose of the Act and may engage in any project authorized under Type B of the Act. The Corporation is a nonprofit corporation as defined by the Internal Revenue Code of 1986, as amended, and the applicable rulings of the Internal Revenue Service of the United States prescribed and promulgated thereunder. For the purposes of Chapter 101, Texas Civil Practices and Remedies Code, the Corporation is a governmental unit and its actions are governmental functions. The Corporation shall not be a political subdivision or a political corporation within the meaning of the Constitution and the laws of the State of Texas, including without limitation, Article III, Section 52 of the Texas Constitution.

Powers

1.02 In fulfillment of its corporate purpose, the Corporation is a Type B corporation and shall be governed by the Act and specifically Chapter 505 of the Texas Local Government Code, 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 the hereof.

ARTICLE II

OFFICES

Principal Office

2.01

- (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. The office of the registered agent shall always be within the boundaries of the City of Sealy.
- (b) The Corporation shall have and shall continually designate a registered agent at its registered office, as required by the Act. The registered agent shall be a resident of the State of Texas. The Board of Directors may, from time to time, change the registered office and the registered agent as permitted by law.

ARTICLE III

BOARD OF DIRECTORS

Management of the Corporation

3.01 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 Economic Development Corporation Act of 1979, by the Articles of Incorporation, and by these Bylaws, the Board shall exercise all the powers of the Corporation.

Number, Qualifications, and Tenure of Directors

3.02 The Board of Directors shall consist of seven (7) members who are appointed by the governing body of the City of Sealy, for staggered two (2) year terms of office. Each director must reside within the City of Sealy, Texas. Not more than two (2) directors or less than one (1) shall be persons who are members of the city council of the City of Sealy. As provided by State law, TLGC §505.052(c), three directors of a Type B corporation must be persons who are not employees, officers or members of the authorizing municipality. The terms of four (4) directors shall begin on June 1, of each even numbered year and expire on May 31, of the next following even year. The terms of three (3) directors shall begin June 1, of each odd numbered year and expire on May 31, of the next following odd numbered year. All directors shall holdover until their successors are appointed unless a director is removed by City Council.

Vacancies

3.03 A vacancy occurring upon the Board of Directors shall be filled for the unexpired term by appointment by the governing body of the City of Sealy. If a director is absent for three regular consecutive meetings, the director's office is considered vacant unless the director is sick or has first obtained a leave of absence at a regular meeting.

Annual Meeting

3.04 The annual meeting of the Board of Directors shall be held during the month of June for the election of officers.

Regular Meetings

3.05 Regular meetings of the Board shall be held at such dates, and times and places as designated by the Board. The meeting shall be held within the City of Sealy, Texas, at the principal offices of the Corporation or at such other location as the Board of Directors may designate.

Special Meetings

3.06 Special meetings of the Board of Directors may be called at the request of the president or by any two (2) directors. The person(s) calling a special meeting shall fix the time and location of the meeting. The person(s) calling a special meeting shall notify the secretary of the Corporation of the information required to be included in the notice of the meeting.

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 all meetings, notices of meetings, and deliberations shall be called, convened, held, conducted and given in accordance with the provisions of Texas Government Code, Chapter 551 (The Texas Open Meetings Act). In addition to the posting of a meeting notice in accordance with these Bylaws and the Texas Open Meetings Act, 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. The notice shall state the place, date and 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, hand delivery to his or her address or by electronic mail (e-mail) at his or her email address provided by the City Secretary. Such additional notice may be waived in writing by a Director entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

Quorum

3.08 Four Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. No business shall be conducted, nor shall any action be taken by the Board of Directors in the absence of a quorum. The action of the majority of the Directors who are present and eligible to vote upon a matter shall be the act of the Board of Directors.

Powers and Duties of the Board of Directors

3.09

- a) 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 interest of the Corporation and which are lawful and shall refrain from actions not in the best interest of the Corporation or which would be unlawful. The corporation shall have all the powers granted by chapter 505 of the Texas Local Government code and the Development Corporation Act and is subject to the limitations of a corporation created under another provision of the Act.
- b) The corporation may contract with another private corporation to:
 - (1) carry out an industrial development program or objective; or
 - (2) assist with the development or operation of any economic development program or objective consistent with the purposes and duties specified by the Act.
- c) The corporation may spend no more than 10 percent of the corporate revenues for promotional purposes.
- 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) Not later than February 1 of each year, the board shall submit a report to the Comptroller including all information required by Texas Local Government Code §502.151.
- f) Any and all agreements between the Corporation and other parties shall be authorized, executed, approved, and delivered in accordance with applicable law.
- g) The corporation may exercise the power of eminent domain only:
 - (1) on approval of the action by the governing body of the authorizing municipality; and
 - (2) in accordance with and subject to the laws applicable to the authorizing municipality.

Removal of Directors

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

Committees of Directors

3.11 The Board of Directors may appoint persons to serve on a standing or ad hoc committee. Committee members need not be Directors of the Corporation, unless required by these Bylaws or resolution. Such committees shall have the powers, duties and responsibilities established by the Board. The committees shall keep regular minutes of their meetings and report the same to the Board of Directors when required. The action of such a committee shall not constitute action by the board.

ARTICLE IV

OFFICERS

Officer Positions

4.01 The officers of the Corporation shall be president, vice president, a secretary, and a treasurer. The Board of Directors may create additional officer positions, define the authorities and duties of such additional positions and appoint persons to fill such positions.

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 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 of President, Vice President, Secretary, and Treasurer

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 elected from among the members of the board. The president shall preside at all meetings of the Board of Directors. The president shall execute all documents and agreements affecting the corporation, except where such power is expressly delegated to another officer of the Corporation or the Executive Director. The

president shall perform other duties prescribed by the Board of Directors and all duties incident to the office of the 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 as 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 addresses 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 may either be elected from among the members of the board or at the option of the Board, be persons other than the members of the Board, and/or may be employees of the City.

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 monies in the name of the Corporation in banks, trust companies, or other depositories as shall be selected by the Board of Directors.
- 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 may be either elected from among the members of the board or at the option of the Board, be persons other than the members of the Board, and/or may be employees of the City.

Executive Director

4.09 There may be an Executive Director of the Corporation who shall be responsible for the administration of all the affairs of the Corporation. The Executive Director shall be an employee of the City of Sealy, Texas, and a Department Director. The Board may make a recommendation to the City Manager regarding the Executive Director candidate to be employed. As an employee and Department Director of the City, the City Manager shall employ, suspend, or discharge the Executive Director with the concurrence of the City Council. The Executive Director shall perform and direct the daily administrative operations of the Corporation. The Executive Director shall be reviewed by the Board of Directors on an annual basis and shall be reviewed by the City Manager on an annual basis. The Executive Director shall receive compensation as approved by budget. The Executive Director shall provide quarterly reports to the City Council and shall meet with the City Manager twice a month to facilitate communication between the two entities.

(Amended 1.22.19, 5.12.21)

Executive Director and Main Street Program Manager

4.10 The Main Street Program Manager shall be an employee of the City but may be supervised by the Corporation's Executive Director if authorized by the City of Sealy. With approval of the City Manager, the Executive Director may employ, suspend, terminate, evaluate, or take an employment action deemed necessary regarding the Main Street Program Manager.

(Amended 7.16.19)

ARTICLE V

TRANSACTIONS OF THE CORPORATION

Contracts

5.01 The Board of Directors may by formal action or resolution 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 contracts and instruments.

Depository

5.02 The Board of Directors of the Corporation shall according to the investment policy designate a depository bank. All funds of the corporation shall be deposited with the depository bank. All checks, drafts, or orders of payment of money, notes or other evidence of indebtedness issued in the name of the Corporation shall be signed by two (2) of the following: President, Vice-President, Treasurer or Executive Director.

Annual Corporation Budget

5.03 The Executive Director shall on behalf of the board prepare a proposed annual budget of expected revenues and 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 Board and the City Council, who shall annually review the financial status of the corporation. The proposed budget shall be submitted to the City Council within a time frame to be specified by the City Manager for inclusion in the City's annual budgeting process.

Staff Support

5.04 The Corporation may contract with the City to provide financial and other services for the Corporation upon terms, conditions, and compensation as mutually agreeable.

Gifts

5.05 The Board of Directors may accept on behalf of the Corporation any gift or bequest provided for the general purposes of or for any special purpose of the Corporation.

Prohibited Acts

5.06 As long as the Corporation is in existence, no director, officer or committee member of the Corporation shall:

- a) Do any act in violation of the bylaws or binding obligations of the Corporation.
- b) Do any act with the intention of harming the Corporation or any of its operations.
- c) Do any act that would make it impossible or unnecessarily difficult to carry on the intended or ordinary business of the Corporation.
- d) Receive an improper personal benefit from the operation of the Corporation.
- e) Use the assets of the Corporation, directly or indirectly, for any purpose other than conducting the business of the Corporation.
- f) Wrongfully transfer or dispose of Corporation property, including intangible property such as good will.
- g) Use the name of the Corporation (or any substantially similar name) or any trademark or trade name adopted by the Corporation, except on behalf of the Corporation in the ordinary course of the Corporation's business.
- h) Disclose any of the Corporation's business practices, trade secrets or any other information not generally known to the business community or to any person not authorized to receive it.
- i) Commit Corporation funds without prior approval of the Board of Directors.
- j) Incur a financial obligation that cannot be paid from:
 - 1) bond proceeds;
 - 2) revenue realized from the lease or sale of a project;

- 3) revenue realized from a loan made by the corporation to wholly or partly finance or refinance a project; or
- 4) money granted under a contract with a municipality under section 380.002 of the Texas Local Government Code.

ARTICLE VI

BOOKS AND RECORDS

Required Book and Records

6.01 The Corporation shall keep correct and complete books and records of accounts and activity for a minimum of five (5) years. 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. In accordance with the Texas Government Code §552.024 & §552.117, a Director may request (in writing) that the Corporation not reveal their home address or home phone number.
- e) A financial statement showing the assets, liabilities, and net worth of the Corporation.
- f) A financial statement showing the income and expenses of the Corporation.
- 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 tax years.

Records Open to Public

6.02 The Corporation shall be considered a "governmental body" within the meaning of Chapter 552, Texas Government Code. All records of the Corporation shall be made available to the public for inspection or reproduction in accordance with the requirements of the Texas Government Code, Chapter 552 ("The Texas Public Information Act").

Audit

6.03 The Board of Directors shall provide for an independent annual audit of the Corporation's books; provided, further, that an annual audit by the City Council of the Corporation's books and records in conjunction with the annual audit of the City's books and records shall be

sufficient. The City Council of the City of Sealy, Texas, may at any time require an independent audit of the Corporation's books to be conducted.

ARTICLE VII

FISCAL YEAR

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

ARTICLE VIII

AMENDMENTS TO BYLAWS

8.01 The Bylaws may be altered, amended, or repealed by the Board of Directors with the consent and approval of the City Council of the City of Sealy, Texas, as evidenced by a resolution with the Bylaws attached.

ARTICLE IX

MISCELLANEOUS PROVISIONS

Legal Authorities Governing Construction of Bylaws

9.01 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 applicable to corporations governed under Chapter 505 of the Texas Local Government Code, are incorporated within these Bylaws by reference. In the event of any conflict between the applicable provisions of the Development Corporation Act and these Bylaws, then the applicable provisions of such Act shall control.

Legal Construction

9.02 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

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

Seal

9.04 The Board of Directors may provide for a Corporation seal. Such seal shall contain the words "Sealy Economic Development Corporation" and "Texas".

Parties Bound

9.05 These 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

9.06 These Bylaws, and any subsequent amendments hereto, shall be effective as of and from the date on which approval has been given by both the Board of Directors and the City Council of the City of Sealy, Texas.

Indemnification of Directors, Officers, and Employees

9.07

- 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 shall have the power to indemnify any director or officer or former director or officer of the Corporation for expenses and costs (including attorneys' fees) actually and necessarily incurred by him/her in connection with any claim asserts against him/her by action in court or otherwise by reason of his/her being or having been such director or officer, except in relation to matters as to which he/she shall have been found guilty of negligence or misconduct in respect of the matter in which indemnity is sought.

Corporation May Provide Insurance

9.08 With consent of the City Council, the corporation may obtain insurance and benefits as provided by Texas Local Government Code §501.067, including liability insurance. The premiums for such insurance shall be paid for by the Corporation.

Dissolution of the Corporation

9.09 The Corporation is a nonprofit corporation. Upon dissolution, all of the Corporation's assets shall be distributed to the City of Sealy.

Service of Process

9.10 The president, vice-president, and the registered agent of the Corporation shall be agents of such corporation upon whom any process, notice, or demand required or permitted by law to be serviced upon the Corporation may be served.

Liability

9.11 The following are not liable for damages arising from the performance of a government function of the corporation or the City of Sealy:

- 1) the corporation;
- 2) a director of the corporation;
- 3) the City of Sealy;
- 4) a member of the City Council of the City of Sealy; or
- 5) an employee of the corporation or City.

CERTIFICATE OF SECRETARY

I certify that I am duly elected and acting secretary of the SEALY ECONOMIC DEVELOPMENT CORPORATION, and the foregoing Bylaws constitute the Bylaws of the Corporation. These Bylaws were duly adopted at a meeting of the Sealy EDC Board of Directors held on the 26th day of January, 2021. And subsequently approved and ratified by the City Council of the City of Sealy, Texas at a meeting held on the 12th day of May, 2021. Then approved with a resolution at a Special meeting of the Sealy EDC Board of Directors held on June 3, 2021.

Signed this 4th day of June, 2021.

A handwritten signature in cursive script that reads "Katherine Ellis". The signature is written in black ink and is positioned above a solid horizontal line.

SECRETARY OF THE CORPORATION