

**BYLAWS
OF
JASPER ECONOMIC DEVELOPMENT CORPORATION
A NON-PROFIT CORPORATION**

JASPER, TEXAS

**SECTION I
OFFICES**

1.1 Registered Office and Registered Agent

JASPER ECONOMIC DEVELOPMENT CORPORATION (hereinafter the "Corporation") shall have and continuously maintain in the State of Texas a registered office, and a registered agent whose office is identical with such registered office, as required by the Texas Non-Profit Corporation Act and the Development Corporation Act of 1979, Art. 5190.6 Vernon's Ann. Tex. Civ. Stats., as amended (the "Development Corporation Act"). The Board of Directors may, from time to time, change the registered agent and/or the address of the registered office, provided that such change is appropriately reflected in these Bylaws and the Articles of Incorporation.

The registered office of the Corporation is located at 465 South Main, Jasper, Texas 75951.

1.2 Principal Office

The principal office of the Corporation in the State of Texas shall be located in the City of Jasper, and it may be, but need not be, identical with the registered office of the Corporation.

**SECTION II
PURPOSES**

2.1 Purposes

The Corporation is a non-profit industrial development corporation specifically governed by the Development Corporation Act. The purpose of the Corporation is to promote, assist, and enhance economic development in accordance with the provisions of the Development Corporation Act and the Articles of Incorporation.

**SECTION III
MEMBERS**

3.1 Members

The Corporation shall have no members.

**SECTION IV
BOARD OF DIRECTORS**

4.1 Board of Directors

The business and affairs of the Corporation and all corporate powers shall be exercised by or under authority of the Board of Directors (the "Board"), appointed by the governing body of the City of

Jasper, Texas (the "City"), and subject to applicable limitations imposed by the Texas Non-Profit Corporation Act, the Development Corporation Act, the Articles of Incorporation, and these Bylaws. The Board may, by contract, resolution, or otherwise, give general or limited or special power and authority to the officers and employees of the Corporation, and may give power of attorney to the agents of the Corporation to transact the general business or any special business of the Corporation to transact any special business requiring such authorization.

4.2 Number and Qualifications

The authorized number of Directors of this Board shall be seventeen (17).

- (a) The Directors of the Corporation shall be appointed by the Jasper City Council.

In all instances the Jasper City Council shall consider an individual's experience, accomplishments and educational background along with any recommendations in appointing members to the Board to ensure that the interests and concerns of all segments of the community are first considered.

4.3 Bonds

The President, Vice President, and Treasurer of the Board shall each give an official bond in the sum of not less than [One Hundred Thousand Dollars (\$100,000.00)]. The bonds referred to in this section shall be considered for the faithful accounting of monies and things of value coming into the hands of such officers. The bonds shall be procured from some regularly accredited surety company authorized to do business in the State. The premiums therefore shall be paid by the Corporation. A copy of each officer's bond shall be filed with the City Secretary.

4.4 General Duties of the Board

The Board is hereby authorized to perform the following duties:

1. The Board may develop an overall economic development plan for the City, which shall include and set forth intermittent and/or short-term goals which the Board deems necessary to accomplishment compliance with its overall economic development plan. Such plan shall be approved by the City Council of the City of Jasper. The overall development plan developed by the Board shall be one that includes the following elements:
 - (a) An economic development strategy to permanently bolster the business climate throughout the City.
 - (b) Strategies to fully utilize the assets of the City, which enhance economic development.
 - (c) Identification of strategies to coordinate public, private, and academic resources to develop and enhance business opportunities for all citizens of Jasper.
 - (d) Identification of strategies and provide for implementation of identified strategies for direct economic development as defined in this Section.

2. The Board shall review and update its overall economic development plan each year to ensure that said plan is up to date with the current economic climate and is capable of meeting Jasper's current economic development needs.
3. The Board shall expend, in accordance with State Law, the tax refunds received by it on direct economic development where such expenditures will have a direct benefit to the citizens of Jasper.

As used in this article, "direct economic development" shall mean the expenditure of such tax funds for programs that directly accomplish or aid in the accomplishment of creating identifiable new jobs or retaining identifiable existing jobs including job training and/or planning and research activities necessary to promote said job creation. The Corporation's focus will be primarily in the areas of:

- (a) Business attraction
- (b) Formation of new business
- (c) Development of Business Parks
- (d) Business retention and expansion
- (e) Education & Technical Training for Business

4.5 Implied Duties

The Corporation is authorized to do that which the Board deems desirable to accomplish any of the duties set out in these Bylaws and in accordance with State law.

4.6 Tenure

The terms of office for Directors shall be two (2) year staggered terms. The number of Directors shall be seventeen (17).

4.7 Vacancies

Any vacancy occurring shall be filled by appointment by the City Council in accordance with Section 4.2 of these Bylaws.

4.8 Meetings

- (a) Regular meetings: The Board shall meet monthly on the first Tuesday of each month at 5:30 p.m. at the Jasper Lake Sam Rayburn Area Chamber of Commerce, Jasper, Texas or at such other lawful location as may be designated by the President, unless rescheduled by vote of the Board at a prior meeting. If such day falls on a legal holiday or if such meeting conflicts with a regular or specially called meeting of the Jasper City Council or Jasper Chamber of Commerce, the meeting shall be held on a date and at a time and lawful place as designated by the President.
- (b) Notice of Meetings: all meetings of the Board shall provide notice thereof as provided and set forth in Chapter 551 of the Texas Government Code ("Texas Open Meetings Act") as amended from time to time. Any member of the Board or the Executive Director may request that an item be placed on the Agenda by delivering the same in writing to the President or Executive Director no later than seven (7) days prior to the date of the

Board meeting

- (c) Open Meetings Act Notice: Notice of any meeting shall be given to the public in accordance with the requirements of the Texas Open Meetings Act. The notice shall contain information regarding the particular time, date, and location of the meeting and the agenda to be considered as well as any other information required by the Texas Open Meetings Act.
- (d) Special Meetings: Special meetings of the Board, for any purpose whatsoever, may be called at any time by the President or any two directors. Agenda items for the Special meeting must be submitted in the same manner as set forth in subsection (b) above.
- (e) Notice of Special Meeting: Any person or persons entitled under subsection (d) above to call a special meeting may do so only by written request sent certified mail or delivered in person to the President or Executive Director. The President or Executive Director, as the case may be, after receiving the written request, shall within ten (10) days from the date of receipt cause notice of the meeting to be given in the manner described in subsections (b) and (c) above.

4.9 Attendance

Regular attendance of the Board meetings is required of all Members. The following number of absences may constitute the need for replacement of a member: three (3) consecutive absences, or attendance reflecting absences constituting 50% of the meetings over a 12-month period. In the event replacement is indicated, the member will be counseled by the President and, subsequently, the President shall submit in writing to the City Secretary the need to replace the Board member in question.

4.10 Quorum

For the purpose of convening a meeting or transacting business of the Corporation, a simple majority of the appointed number of appointed Directors then serving on the Board shall constitute a quorum. If there is an insufficient number of Directors present to convene the meeting, the presiding officer shall adjourn the meeting.

4.11 Compensation

The duly appointed members of the Board shall serve without compensation, but shall be reimbursed for actual or commensurate cost of travel, lodging and incidental expenses while on official business of the Board in accordance with State Law.

4.12 Voting; Action of the Board of Directors

Directors must be present in order to vote at any meeting. Unless otherwise provided in these Bylaws or in the Articles of Incorporation or as required by law, the act of a simple majority of the Directors present at any meeting for which a quorum is present shall be the act of the Board of Directors. In the event that a Director is aware of a conflict of interest or potential conflict of interest, with regard to any particular vote, the Director shall bring the same to the attention of the meeting and shall abstain from the vote, unless the Board determines that no conflict of interest

exists. Any Director may bring to the attention of the meeting any apparent conflict of interest or potential conflict of interest of any other Director, in which case the Board shall determine whether a true conflict of interest exists before any vote shall be taken regarding that particular matter. The Director as to whom a question of interest has been raised shall refrain from voting with regard to the determination as to whether a true conflict exists.

4.13 Board's Relationship with City Council

In accordance with State law, the City Council shall require that the Corporation be responsible to it for the proper discharge of its duties assigned in this article.

SECTION V OFFICERS

5.1 Officers of the Corporation

The elected officers of the Corporation shall be a President, Vice President, Secretary, and Treasurer. The Board may resolve to elect one or more Assistant Secretaries or one or more Assistant Treasurers as it may consider desirable. Such officers shall have the authority and perform the duties of the office as the Board may from time to time prescribe or as the Secretary or Treasurer may from time to time delegate to his or her respective Assistant. Any two (2) or more offices may be held by the same person, except the office of President.

5.2 Selection of Officers

The initial President and Vice President shall be elected by the Board and shall serve a term of one (1) year. On the expiration of the term of office of the original President and Vice President, the Board shall select from among its members, individuals to hold such office. The term of office of the President and Vice President shall always be for a period of one year; provided, however, that the President and Vice President continue to serve until the election of their successors.

The Secretary and Treasurer shall be elected by the members of the Board and shall hold office for a period of one (1) year; provided, however, that they shall continue to serve until the election of their successors. Elections shall be held at the June meeting of the Board of Directors each year.

5.3 Vacancies

Vacancies in any office which occur by reason of death, resignation, disqualification, removal, or otherwise, may be filled by the Board of Directors for the unexpired portion of the term of the office, in the same manner as other officers are elected to the Board.

5.4 President

The President shall be the presiding officer of the Board with the following authority:

1. Shall preside over all meetings of the Board.
2. Shall have the right to vote on all matters coming before the Board.
3. Shall have the authority to call a special meeting of the Board as set forth in Section

4.8 of these Bylaws.

4. Shall have the authority to appoint standing committees to aid and assist the Board in its business undertaking or other matters incidental to the operation and functions of the Board.
5. Shall have the authority to appoint ad hoc committees which may address issues of a temporary nature of concern or which have a temporary effect on the business of the Board.

In addition to the above-mentioned duties, the President shall sign with the Secretary of the Board any deed, mortgage, bonds, contracts, or other instruments which the Board of Directors has approved and unless the execution of said document has been expressly delegated to some other officer or agent of the Corporation by appropriate Board resolution, by a specific provision of these Bylaws, or by statute. In general, the President shall perform all duties incident to the office, and such other duties as shall be prescribed from time to time by the Board of Directors.

5.5 Vice President

In the absence of the President, or in the event of his or her inability to act, the Vice President shall perform the duties of the President. When so acting, the Vice President shall have all power of and be subject to all the same restrictions as upon the President. The Vice President shall also perform other duties as from time to time may be assigned to him or her by the President.

5.6 Secretary

The Secretary shall keep, or cause to be kept, at the registered office a record of the minutes of all meetings of the Board and of any committees of the Board. The Secretary shall also file a copy of said Minutes with the City and the same to be given, in accordance with the provisions of these Bylaws, or as required by the Texas Open Meeting Act or the Texas Open Records Act or other applicable law. The Secretary shall be custodian of the corporate records and seal of the Corporation, and shall keep a register of the mailing address and street address, if different of each director.

5.7 Treasurer

The Treasurer shall be bonded for the faithful discharge of his/her duties with such surety or sureties and in such sum as the Board of Directors shall determine by Board resolution, but in no event shall the amount of such bond be less than an amount equal to the average of the sums which the Treasurer has access to and the ability to convert during a twelve (12) month period of time. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Corporation. The Treasurer shall receive and give receipt for money due and payable to the Corporation from any source whatsoever, and shall deposit all such monies in the name of the Corporation in such bank, trust corporation, and/or other depositories as shall be specified in accordance with Article VII of these Bylaws. The Treasurer shall, in general, perform all of the duties incident to that office, and other such duties as from time to time may be assigned to him by the President of the Board.

5.8 Assistant Secretaries and Assistant Treasurers

The Assistant Secretaries and Assistant Treasurers, if any, shall in general, perform such duties as may be assigned to them by the Secretary or the Treasurer, or by the President or the Board of Directors.

5.9 Employees

The Corporation by majority vote of the Board may employ an Executive Director and other such full or part-time employees as needed to carry out the programs of the Corporation. These employees shall perform those duties as are assigned to them by the Board.

5.10 Contracts for Service

The Corporation may, by approval of the Board of Directors, contract with any qualified and appropriate person, association, corporation or governmental entity to perform and discharge designated tasks which will aid or assist the Board in the performance of its duties. However, no such contract shall ever be approved or entered into which seeks or attempts to divest the Board of Directors of its discretion and policy-making functions in discharging the duties hereinabove set forth in this section.

SECTION VI COMMITTEES

6.1 Qualified for Committee Membership

Members of committees shall be appointed by the President, and approved by the Board. Committee members need not be members of the Corporation unless required by these Bylaws or Board resolution.

6.2 Standing Committee

The President shall have authority to appoint the following standing committees of the Board and such other committees as the Board may deem appropriate in the future:

1. Budget, Finance and Audit Committee: This committee shall have the responsibility of working on the formation and promotion of the annual budget of the Board. The Committee shall present such budget to the Board and, upon approval, shall present, in accordance with these Bylaws, said budget to the City Council. In addition to the preparation of the budget for the Board, the Committee shall monitor all budget expenditures of the Board and keep the Board advised in such matters. The Committee shall further have the responsibility to oversee and work with auditors of the City or outside auditors when audits of the Corporation are being performed.
2. Committee for New Business Attraction and Recruitment: This committee shall keep the Board informed of all developments and activities concerning business attraction and requirement.
3. Committee for New Business Formation: This committee shall keep the Board informed of all development and activities concerning new business formation.

4. Committee for Business Retention and Expansion: This committee shall keep the board informed of all development and activities concerning business retention and expansion.
5. Committee for Development of Business Parks: This committee shall keep the Board informed of all developments and activities concerning the development of business parks, infrastructures, special buildings, and off-site improvements.
6. Committee for Educational and Technical training for Business: This committee shall keep the board informed of all developments and activities concerning the development of a university satellite campus in Jasper, and of improved training programs.

6.3 Special Committees

The President may determine from time to time that other committees are necessary or appropriate to assist the Board of Directors, and shall designate, subject to Board approval, the members of the respective committees.

No such committee shall have independent authority to act for or in the stead of the Board of Directors with regard to the following matters: amending, altering, or repealing the Bylaws; electing, appointing, or removing any member of any such committee or any Director or Officer of the Corporation; amending the Articles of Incorporation; adopting a plan of merger or adopting a plan of consolidation with another corporation; authorizing the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of the Corporation; authorizing the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of the Corporation; authorizing the voluntary dissolution of the Corporation or revoking the proceedings therefore; adopting a plan for the distribution of the assets of the Corporation; or amending, altering, or repealing any resolution of the Board of Directors which by its terms provides that it shall not be amended, altered, or repealed by such committee.

The designation and appointment of any such committee and delegation to that committee of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed on it or on him/her by law.

6.4 Term of Office of Committee Members

Each member of a committee shall continue as such until the next annual appointment of the Board of Directors and until his or successor on the Committee is appointed, unless the committee shall be sooner terminated or unless such member has ceased to serve on the Board of Directors, or unless such member is removed from such committee.

Any committee member may be removed from committee membership by the President, with Board approval, whenever in their judgment the best interests of the Corporation would be served by such removal.

6.5 Vacancies on Committees

Vacancies in the membership of any committee may be filled in the same manner as provided with regard to the original appointments to that committee.

SECTION VII FINANCIAL ADMINISTRATION

The Corporation may contract with the City for financial and accounting services. The Corporation's financing and accounting records shall be maintained according to the following guidelines.

7.1 Fiscal Year

This fiscal year of the Corporation shall begin on October 1 and end on September 30 of the following year.

7.2 Budget

A budget for the forthcoming fiscal year, together with any proposed amendments thereto during such fiscal year, shall be submitted to, and approved by, the Board of Directors, and the City Council of the City of Jasper.

7.3 Contracts

As provided in Article V above, the President and Secretary shall execute any contracts or other instruments which the Board has approved and authorized to be executed, provided however, that the Board may by appropriate resolution, authorize any other officer or officers or any other agent or agents to enter into contracts or execute and deliver any instrument in the name and on behalf of the Corporation. Such authority may be confined to specific instances or defined in general terms. When appropriate, the Board may grant a specific or general power of attorney to carry out some action on behalf of the board, provided, however that no such power of attorney may be granted unless an appropriate resolution of the Board authorizes the same to be done.

7.4 Checks and Drafts

All checks, drafts, or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation shall be signed by the President and the Treasurer, or such other person(s) as designated by the Board.

7.5 Deposits

All funds of the Corporation shall be deposited on a regular basis to the credit of the Corporation in a local bank which shall be federally insured and shall be selected following procedures and requirements for selecting a depository as set forth in Chapter 105 of the Local Government Code.

7.6 Gifts

The Corporation may accept on behalf of the Corporation any contribution, gift, bequest, or devise of the general purpose, or for any special purposes, of the Corporation.

7.7 Purchasing

All purchases made and contracts executed by the Corporation shall be made in accordance

with the requirements of the Texas Constitution and statues of the State of Texas.

7.8 Investments

Temporary and idle funds which are not needed for immediate obligations of the Corporation may be invested in any legal manner provided in Tex. Rev. Civ. Stat. Ann. Art. 842a-2 (Public Funds Investment Act).

7.9 Bonds

Any bonds issued by the Corporation shall be issued (1) upon approval of the Jasper City Council and (2) in accordance with the applicable provisions of the Development Corporation Act.

7.10 Uncommitted Funds

Any uncommitted funds of the Corporation at the end of the fiscal year shall be considered a part of the Fund Balance.

The uncommitted Fund Balance may be committed for any legal purpose. This may include the establishment of the Permanent Reserve Fund which may be accumulated for the purpose of using the interest earnings of such fund to finance the operation of the Corporation.

7.11 Audit

An annual financial audit of the Corporation shall be performed by an independent certified public accountant or firm of independent certified public accountants selected by the Board. Such audit shall be performed, and the report thereon made available to the Board and the City Council, as soon as practicable following the end of each fiscal year of the Corporation.

SECTION VIII BOOKS AND RECORDS

8.1 Books and Records

The Corporation shall keep correct and complete books and records of all actions of the Corporation, including books and records of account and the minutes of meetings of the Board of Directors and of any committee having any authority of the Board and to the City Council. All books and records of the Corporation may be inspected by Directors of the Corporation or his/her agent or attorney at any reasonable time; and any information which may be designated as public information by law shall be open to public inspection at any reasonable time. The Texas Open Records Act and Open Meeting Act shall apply to disclosure of public information. The Board of Directors shall provide for an annual financial audit to be performed by a competent independent audit firm.

SECTION IX SEAL

9.1 Seal

The Board of Directors shall obtain a corporate seal which shall bear the words "Corporate Seal of Jasper Economic Development Corporation"; the Board may thereafter use the corporate seal and may later alter the seal as necessary without changing the corporate name; but these

Bylaws shall not be construed to require the use of the corporate seal.

SECTION X PROGRAM

10.1 Authorization

The Corporation shall carry out its program subject to its Articles of Incorporation, these Bylaws and the Development Corporation Act, and such resolutions as the Board may from time to time authorize.

10.2 Program

The program of the Corporation shall be to assist, stimulate, and enhance economic development in Jasper, Texas, subject to applicable state and federal law, these Bylaws, and the Articles of Incorporation.

SECTION XI PARLIAMENTARY AUTHORITY

11.1 Amendments to Bylaws

These Bylaws may be amended or repealed and new Bylaws may be adopted by an affirmative vote of two-thirds of the authorized Directors serving on the board, at a special meeting of the Directors held for such a specific purpose, and the notice requirements stated hereinabove regarding special meetings shall apply. The Directors of the Corporation present at any the annual meeting of the Board being the first meeting of each fiscal year, may, by a vote of two-thirds of the authorized directors, in accord with the requirements of Article IV hereinabove, amend or repeal and institute new Bylaws, provided that at least three (3) days prior to the annual meeting, written notice setting forth the proposed action shall have been given to the Directors, and public notice regarding such action given according to the requirements of the Texas Open Meetings Act and Open Records Act.

Notwithstanding the foregoing, no amendment or new Bylaws shall become effective unless the City Council approves the amendment or new Bylaws.

SECTION XII DISSOLUTION

12.1 Dissolution

Whenever the board of directors of the corporation by resolution shall determine that the purpose for which the corporation was formed have been substantially complied with and that all bonds therefore issued by the corporation have been fully paid, the members of the board of directors of the corporation shall, with the approval by written resolution of the unit under whose auspices the corporation was created, thereupon dissolve the corporation as provided by statute.

SECTION XIII INDEMNITY

13.1 Indemnity

The Corporation hereby agrees to indemnify and hold harmless each current or former Director or

Officer of the Corporation from and against any costs, expenses, fines, settlements, judgments, liabilities and other amounts, actually and reasonably incurred by such person in any action, suit, or proceeding to which he or she is made a party by reason of holding such position as Officer or Director; provided, however, that such Officer or Director shall not receive such indemnification if her/she be finally adjudicated in such instance to be liable for negligence or misconduct in office. The indemnification herein provided shall also extend to good faith

expenditures incurred in anticipation of, or preparation for, threatened or proposed litigation. The Board of Directors may, in proper cases, extend this indemnification to cover the good faith settlement of any such action, suit, or proceedings, whether formally instituted or not.

Furthermore, the Corporation agrees to indemnify and hold harmless and defend the City of Jasper, its officers, agents, and its employees, from and against liability for any and all claims, liens, suits, demands, and/or actions for damages, injuries to persons (including death), property damage (including loss of use), and expenses, including court costs and attorneys' fees and other reasonable cost arising out of or resulting from Corporation's activities and from any liability arising out of or resulting from the intentional acts or negligence, including all such causes of action based upon common, constitutional, or statutory law, or based in whole or in part upon the negligent or intentional acts or omissions of Corporation, including but not limited to its officers, agents, employees, licensees, invitees, and other persons.

It is further agreed with respect to the above indemnity, that the City and the Corporation will provide the other prompt and timely notice of any event covered which in any way, directly or indirectly, contingently or otherwise, affects or might affect the Corporation or the City, and the City shall the right to compromise and defend the same to the extent of its own interests. It is further agreed this indemnity clause shall be an additional remedy to the City and not an exclusive remedy.

SECTION XIV MISCELLANEOUS

14.1 Relation to Articles of Incorporation

These Bylaws are subject to, and governed by, the Articles of Incorporation and applicable State statutes under which the Corporation is organized.