

**SEDC RESOLUTION NO. 2023-3**

**A RESOLUTION BY THE CITY OF SCHERTZ ECONOMIC DEVELOPMENT CORPORATION, APPROVING AMENDED AND RESTATED BYLAWS OF SUCH CORPORATION; AND OTHER MATTERS IN CONNECTION THEREWITH**

WHEREAS, the City Council (the "Council") of the City of Schertz, Texas (the "City") has previously authorized the creation of the City of Schertz Economic Development Corporation (the "Corporation") in accordance with the Development Corporation Act, as amended, Title 12, Subtitle C1, Texas Local Government Code (the "Act"); and

WHEREAS, on February 5, 2013, the Council reviewed and approved the existing Certificate of Formation and Bylaws of the Corporation in Ordinance 13-M-04 ; and

WHEREAS, the Council took action on May 10, 2022, approving Ordinance 22-M-20 changing the term end dates for the City of Schertz Economic Development Corporation; and;

WHEREAS, the Board of Directors of the Corporation desires to change the end dates of the terms of the directors from May 31 to September 30 of the year in which the directors' term expires, in order to be consistent with Ordinance 22-M-20; and

WHEREAS, the Board of Directors of the Corporation desires to alter the codes by which the Corporation shall be governed and the requirements for an action to be taken by the Board; and

WHEREAS, the Board of Directors have reviewed and approved the proposed amendments to the existing Bylaws of the Corporation and has determined to authorize and approve such amendments; and

WHEREAS, the Board of Directors hereby finds and determines that the adoption of this Resolution is in the best interests of the citizens of the City; now, therefore,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CITY OF SCHERTZ ECONOMIC DEVELOPMENT COPROPARTION THAT:

Section 1. The Board of Directors hereby approves the amended Bylaws for the Corporation in the form attached hereto as Exhibit A.

Section 2. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Governing Body.

Section 3. All ordinances and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 4. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 5. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Board hereby declares that this Resolution would have been enacted without such invalid provision.

Section 6. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.

Section 7. This Resolution shall be in force and effect from and after its final passage, and it is so ordered.

PASSED AND ADOPTED, this 23rd day of February 2023.

CITY OF SCHERTZ ECONOMIC  
DEVELOPMENT CORPORATION

  
Paul Macaluso, SEDC Board President

ATTEST:

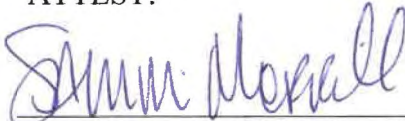
  
Sammi Morrill, SEDC Board Secretary

EXHIBIT A  
AMENDED AND RESTATED BYLAWS  
(See Attached)

**AMENDED AND RESTATED BYLAWS  
OF  
CITY OF SCHERTZ ECONOMIC DEVELOPMENT CORPORATION**

**ARTICLE I  
PURPOSE AND POWERS**

Section 1.1. Purpose. The Corporation is incorporated for the purposes set forth in Article Four of its Certificate of Formation, as amended (the "Certificate of Formation"), the same to be accomplished on behalf of the City of Schertz, Texas (the "City") as its duly constituted authority and instrumentality in accordance with the Development Corporation Act, as amended (Title 12, Subtitle C1, Texas Local Government Code) (the "Act"), and other applicable laws.

Section 1.2. Powers. In the fulfillment of its corporate purposes, the Corporation shall be governed by Texas LGC Chapter 501, Chapter 502, and Chapter 505 of the Act and Chapter 22 of the Texas Business Organizations Code, and an election held in the City on August 9, 1997 (the "Election"), and shall have all the powers set forth and conferred in its Certificate of Formation, 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**

Section 2.1. 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") under the guidance and direction of the City Council of the City (the "Council") and, subject to the restrictions imposed by law, by the Certificate of Formation and by these Amended and Restated Bylaws (these "Bylaws"), the Board shall exercise all of the powers of the Corporation.

(b) The Board shall consist of seven (7) directors, each of whom shall be appointed by the Council.

(c) Directors serve a two-year term beginning on October 1<sup>st</sup> and ending on September 30<sup>th</sup>, two years after appointment, or until a successor is appointed. Successor directors shall have the qualifications, shall be of the classes of directors, and shall be appointed to the terms set forth in the Certificate of Formation.

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

Section 2.2. Meetings of Directors. (a) 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 Section 5.1 of these Bylaws. Regular meetings of the Board shall be held without the necessity of notice to 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 a majority of the directors, by the Mayor of the City, or by a majority of the Council.

(b) The secretary shall give notice to each director of each special meeting in person or by mail, telephone or telegraph, at least two (2) hours before the meeting. Unless otherwise indicated in the notice thereof, any and all matters pertaining to the purposes of the Corporation may be considered and acted upon at a special meeting. At any meeting at which every director shall be present, even though without any notice, any matter pertaining to the purpose of the Corporation may be considered and acted upon consistent with applicable law.

(c) Whenever any notice is required to be given to the Board, such notice shall be deemed to be sufficient if given by depositing the same in a post office box in a sealed postpaid wrapper addressed to the person entitled thereto at his or her post office address as it appears on the books of the Corporation, and such notice shall be deemed to have been given on the day of such mailing. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except attendance of a director at a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened. Neither the business to be transacted at nor the purpose of any regular or special meeting of the Board need be specified in the notice to directors or waiver of notice of such meeting, unless required by the Board. A waiver of notice in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

Section 2.3. 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, as amended (Chapter 551, Texas Government Code) (the "Open Meetings Act").

Section 2.4. Quorum. A majority of the entire membership of the Board shall constitute a quorum to conduct official business of the Corporation. The act of a majority of the Board of Directors present at a meeting at which a quorum is in attendance shall constitute the act of the Board and of the Corporation, unless the act of a greater number is required by law. An action that may be taken at a meeting of the Board of Directors, including an action required by the Act to be taken at a meeting, may be taken without a meeting if each director signs a written consent providing the action to be taken. The consent has the same effect as a unanimous vote and may be stated as such in a document filed with the Secretary of State.

Section 2.5. 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) The president shall preside at all meetings of the Board. In the absence of the president, the vice president shall preside.

(c) The president shall be a voting member of the Board.

(d) The secretary of the Corporation shall act as secretary of all meetings of the Board, but in the absence of the secretary, the presiding officer may appoint any person to act as secretary of the meeting. The treasurer and any assistant secretary may, at the option of the Board, be employees of the City and each member of the Board with the exception of the president, vice president, or secretary, may be appointed as assistant secretaries; provided, however, that to the extent the treasurer or any assistant secretary is an employee of the City such person shall not be a member of the Board.

Section 2.6. Committees of the Board. The Board may designate two (2) or more directors or other persons to constitute a committee (including an advisory committee) of the Board to exercise such authority, as approved by resolution of the Board; provided, however, that all final, official actions of the Corporation may be exercised only by the Board. Each committee so designated shall keep regular minutes of the transactions of its meetings and shall cause such minutes to be recorded in books kept for that purpose in the principal office of the Corporation and any such meetings must be conducted in accordance with the provisions of the Open Meetings Act, if applicable.

Section 2.7. Compensation of Directors. 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.

### ARTICLE III OFFICERS

#### Section 3.1. Titles and Terms of Office.

(a) The officers of the Corporation shall be a president, a vice president, a secretary, and a treasurer, and such other officers as the Board may from time to time elect to fill a vacancy or as appointed by the Council. One person may hold more than one office, except that the president shall not hold the office of secretary. Initial officers shall serve for the terms disclosed in the Certificate of Formation. Thereafter, terms of office shall be for two (2) years with the term of office expiring on September 30th of each year. Upon the expiration of the terms, each officer shall have the right to be reappointed or reelected.

(b) All officers shall be subject to removal from office at any time by a vote of a majority of the Council.

(c) A vacancy in the office of any director shall be filled by a vote of a majority of the Council. The remaining directors may recommend to the Council a person to be named to fill any such vacancy.

Section 3.2. Powers and Duties of the President. The president shall be the chief operating executive officer of the Corporation, and, subject to the 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 preside over the meetings of the Corporation.

Section 3.3. 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. Any action taken by the vice president in the performance 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.

Section 3.4. 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 endorse and sign, on behalf of the Corporation, for collection or 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 money 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 his/her duties in such form, and amount as the Board or the Council may require. All check writing authority will follow all applicable City policies concerning authorizations, signatures and disbursements.

Section 3.5. Secretary. The secretary shall keep the minutes of all meetings of the Board and books provided for that purpose, shall give and serve all notices, may sign with the president in the name of the Corporation, and/or attest the 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 books of account and financial records and securities, and such other books and papers as the Board may direct, all of which shall at all reasonable times be open to public inspection upon application at the principal 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 3.6. Executive Director. The City Manager, or his designee, will serve as the Executive Director of the Corporation to provide administrative support services for the Corporation and shall perform duties as prescribed by the Board and Council. The Executive Director shall not be a member of the Board.

Section 3.7. General. The president, vice president, and the secretary shall be named from among the members of the Board. The treasurer and any assistant secretary may, at the option of the Board, be employees of the City. To the extent that the treasurer or any assistant secretary are employees of the City they shall not be members of the Board. The Executive Director shall retain legal counsel and financial advisors for the Corporation, subject to the approval of the majority of the Board.

Section 3.8. Compensation. Officers who are members of the Board shall not receive any salary or compensation for their services, except that they shall be reimbursed for the actual expenses incurred in the performance of their official duties as officers.

ARTICLE IV  
FUNCTIONAL CORPORATE DUTIES AND REQUIREMENTS

Section 4.1. City of Schertz Economic Development Corporation Plan.

(a) It shall be the duty and obligation of the Board to finance and implement the City of Schertz Economic Development Corporation Plan subject to approval or disapproval by Council.

(b) In carrying out its obligations under subsection (a), the Corporation shall be authorized to exercise all rights and powers granted under the Act, including, but not limited to Chapter 501, Chapter 502, and Chapter 505 of the Act.

(c) The Board shall at least annually submit reports to the Council as to the status of its activities in carrying out its obligations under this Section.

(d) Any and all agreements between the Corporation and other parties shall be authorized, executed, and approved, and delivered in accordance with applicable law.

Section 4.2. Annual Corporate Budget. Prior to the commencement of each fiscal year of the Corporation, the Board shall adopt a proposed budget of expected revenues from sources set out in Section 4.5 of this Article 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 Council. The budget shall not be effective until the same has been approved by the Council.

Section 4.3. Books, Records, Audits.

(a) The Corporation shall keep and properly maintain in accordance with generally accepting accounting principles, complete books, records, accounts, and financial statements pertaining to its corporate funds, activities, and affairs.

(b) At the direction of the 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 of subsection (b) is selected, shall cause its books, records, accounts, and financial statements to be studied at least once each fiscal year by an outside, independent auditing and accounting firm selected by Council and approved by the Board. Such an audit shall be at the expense of the Corporation.

Section 4.4. Deposit and Investment of Corporation Funds.

(a) All proceeds from loans or from the issuance of bonds, notes, or other debt instruments ("Obligations") issued by the Corporation shall 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 money 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, with Council approval, shall designate the accounts and depositories to be created and designated for such purposes, and the methods of withdrawal of funds therefrom for use by and for the purposes of the Corporation upon the signature of its treasurer and such other persons as the Board designates. The accounts, reconciliation, and investment of such funds and accounts shall be performed by the City Manager of the City, or his designee.

Section 4.5. Expenditure of Corporate Money. The sales and use taxes collected pursuant to Chapter 501, Chapter 502, and Chapter 505 of the Act and the proceeds from the investment of funds of the Corporation, the proceeds from the sale of property, revenues generated by any Projects as defined in Chapter 501, Chapter 502, and Chapter 505 of the Act and payable to the Corporation or any other source of revenues that are payable to the Corporation, and the proceeds derived from the sale of Obligations, may be expended by the Corporation for any of the purposes authorized by the Act, the Certificate of Formation, the City's Home Rule Charter, and the Election, subject to the following limitations:

Expenditures that may be made from a fund created with the proceeds of Obligations, and expenditures of money derived from sources other than the proceeds of Obligations may be used for the purpose of financing or otherwise providing one or more Projects, as defined in Chapter 501, Chapter 502, and Chapter 505 of the Act and in accordance with the Election;

All other proposed expenditures shall be made in accordance with and shall be set forth in the annual budget required by Section 4.2 or in contracts meeting the requirements of Section 4.1(d) of this Article.

Section 4.6. Issuance of Obligations. No Obligations, including refunding obligations, shall be authorized or sold and delivered by the Corporation unless the Council approves such Obligations by action taken prior to the date of initial delivery of the Obligations to the initial purchasers thereof.

## ARTICLE V MISCELLANEOUS PROVISIONS

Section 5.1. Principal Office.

(a) The principal office and the registered office of the Corporation shall be the registered office of the Corporation specified in the Certificate of Formation.

(b) The Corporation shall have and shall continually designate a registered agent at its office, as required by the Act.

Section 5.2. Fiscal Year. The fiscal year of the Corporation shall be the same as the fiscal year of the City.

Section 5.3. Seal. The seal, if any, of the Corporation shall be determined by the Board.

Section 5.4. Resignations. Any director 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 is specified, at the time of its receipt by the president or secretary. The acceptance of resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

Section 5.5. Approval or Advice and Consent of the Council. To the extent that these Bylaws refer to any approval by the City or refer to advice and consent by the Council, such advice and consent shall be evidenced by a certified copy of a resolution, ordinance, or motion duly adopted by the Council.

Section 5.6. Services of City Staff and Officers. To the extent possible, the Corporation shall utilize the services and the staff employees of the City. All requests for staff time or inquiries of staff will be requested through the City Manager's Office.

Section 5.7. Indemnification of Directors, Officers and Employees.

(a) As provided in the Act, the Corporation is, for the purposes of the Texas Tort Claims Act, as amended (Subchapter A, Chapter 101, Texas Civil Practices and Remedies Code), a governmental unit and its actions are governmental functions.

(b) The Corporation shall indemnify each and every member of the Board, its officers and its employees and each member of the Council and each employee of the City, to the fullest extent permitted by law, against any and all liability or expense, including attorneys fees, incurred by any of such persons by reason of any actions or omissions that may arise out of the sanctions and activities of the Corporation. The legal counsel for the Corporation is authorized to provide a defense for members of the Board, officers, and employees of the Corporation.

## ARTICLE VI EFFECTIVE DATE, AMENDMENTS

Section 6.1. Effective Date. These Bylaws shall become effective upon the approval of these Bylaws by the Council.

Section 6.2. Amendments to Certificate of Formation and Bylaws. The Certificate of Formation of the Corporation and these Bylaws may be amended only in the manner provided in the Certificate of Formation and the Act.

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Adopted: February 23, 2023