

BYLAWS OF THE BEE CAVE DEVELOPMENT CORPORATION

ARTICLE I STATUS; PURPOSE; POWERS

Section 1. Status.

The Bee Cave Development Corporation ("Corporation") is a non-profit industrial development corporation organized under the Development Corporation Act of 1979 (the "Act"), Chapters 501 and 505, Texas Local Government Code, as amended.

Section 2. Purpose.

The purpose of the Corporation shall be to promote economic development within the City of Bee Cave ("City") and the State of Texas by protecting, enhancing, and encouraging employment as well as strengthening the economy and benefitting the city through the development, implementation, and financing of projects and improvements as described in the Act.

Section 3. Powers.

- A. In the fulfillment of its purpose, the Corporation shall have the power to provide financing to pay the costs of projects through the issuance or execution of bonds, notes, and other forms of debt instruments, and shall have and may exercise the powers described in these Bylaws, together with all the powers granted to corporations that are incorporated under the Act and that are governed by Section 4B thereof, all to be done and accomplished on behalf of the City and for its benefit to accomplish its public and governmental purposes as its duly constituted authority and public instrumentality pursuant to the Act and under and within the meaning of the Internal Revenue Code of 1986, as amended, and the applicable regulations of the United States Treasury Department and the rulings of the Internal Revenue Service of the United States.
- B. To the extent not in conflict with the Act, the Corporation shall have and may exercise all the rights, powers, privileges, authorities and functions given by the general laws of the State of Texas to nonprofit corporations under the Texas Non-Profit Corporation Act, as amended.
- C. The Corporation is a corporation having the purposes and powers permitted by the Act pursuant to the authority granted in Article III, Section 52-a of the Texas Constitution, but the Corporation is not a political subdivision or political corporation of the State of Texas within the meaning of its constitution and laws, and no agreements, bonds, notes, debts or other obligation of the Corporation are or shall ever be deemed to be the agreements, bonds, notes, debts or obligations, or the lending of credit, or a grant of public money or thing of value, of or by the City, or any other political corporation, subdivision or agency of the State of Texas, or a pledge of the faith and credit of any of them. Any and all such agreements, bonds, notes, debts or other obligations shall be payable solely and exclusively from the revenues and funds received by the Corporation from the sources authorized by the Act and from such other sources as may be otherwise lawfully available and belonging to the Corporation.

- D. No part of the Corporation's activities shall consist of the carrying on of propaganda or otherwise attempting to influence legislation, and the Corporation shall not participate in any political campaign on behalf of or in opposition to any candidate for public office or any proposition.

ARTICLE II OFFICE AND AGENT

Section 1. Registered Office and Registered Agent.

A. The Corporation shall have and continuously maintain within the corporate limits of the City a registered office. The Corporation shall have and continuously maintain a registered agent, which agent may be an individual resident of the State of Texas whose business office is identical with such registered office or a domestic corporation, whether for profit or not for profit, or a foreign corporation, whether for profit or not for profit, authorized to transact business or to conduct its affairs in the State of Texas and has a principal or business office identical with such registered office. The registered agent for the Corporation shall be the City Manager. The address of the registered office of the Corporation shall be 4000 Galleria Parkway, Bee Cave, Texas 78738.

B. The registered agent and/or the address of the registered office may be changed by the Board from time to time, provided that such change is appropriately reflected in these Bylaws and in the Articles of Incorporation and filed with the Secretary of State, as required by law.

Section 2. Principal Office.

The principal office of the Corporation shall be located in the City of Bee Cave, County of Travis, and may also be the registered office of the Corporation.

ARTICLE III BOARD OF DIRECTORS

Section 1. Board of Directors.

The Corporation shall be governed by a Board of Directors (the "Board" or "directors") appointed by a majority of the Bee Cave City Council ("governing body of the City") at a meeting open to the public.

Section 2. Number and Qualifications.

The Board shall be composed of seven (7) persons who are either a resident of the City or a resident of Travis County. No more than four (4) of the seven (7) directors may be members of the governing body of the City. Director(s) who are members of the governing body of the City may not serve as an officer in the Corporation.

Section 3. Term; Removal; Vacancies; Resignations.

A. The term of office for initial directors shall be three (3) directors with one (1) year terms, and four (4) directors with two (2) year terms. After the initial term of office, directors shall hold office for a two (2)-year term, or the remaining term for which the director is appointed unless sooner removed or resigned. Each director, including the initial directors, shall be eligible for reappointment. Directors' terms begin on the fourth Tuesday of September of each year, unless changed by resolution of the Board.

B. Directors serve at the pleasure of the governing body of the City and are removable by a majority vote of the governing body of the City at any time without cause. If a

director also is a member of the governing body of the City and ceases to be a member of such, this event shall constitute automatic removal as a director and such vacancy shall be filled in the same manner as for other vacancies. If a director becomes a member of the governing body of the City and this results in having more than four (4) directors who are members of the governing body of the City, such event shall constitute automatic removal as a director and such vacancy shall be filled in the same manner as for other vacancies.

- C. Any vacancy of a director position shall be filled by appointment of the majority of the governing body of the City, to hold office for the remainder of the unexpired term.
- D. The resignation of a director shall be made in writing, addressed to the Mayor and the City Secretary, and shall take effect at the time specified therein, or if no time is specified, at the time the resignation is received by the City Secretary.

Section 4. Meetings.

- A. The Board shall conduct all regular and special meetings within the corporate limits of the City, at such place as the Board may determine.
- B. All meetings shall be called and held in conformance with the Texas Open Meetings Act, Chapter 551 of the Texas Local Government Code.
- C. Any member of the Board, officer of the Corporation or member of the governing body of the City may have an item placed on the agenda by delivering the same in writing to the City Secretary and Secretary of the Board no less than six (6) calendar days prior to the date of the Board meeting.
- D. Regular meetings of the Board shall be held in on the second or fourth Tuesday of the month, unless changed by resolution of the Board. Any regular meeting may rescheduled or cancelled for just cause by the president or with the approval of the Board.
- E. Special meetings of the Board may be called by the president of the Board or by any two (2) directors.
- F. The City Secretary shall cause notice of the time and place of holding each meeting of the Board to be given to each director. The notice may be given in writing, in person or in person by telephone.

Section 5. Quorum.

A quorum for the transaction of business by the Board shall be a majority of the number of directors, being not less than four (4) members, present to conduct official business of the Corporation. The President of the Board is considered for purposes of determining a quorum. The act of four (4) or more directors at a meeting at which a quorum is in attendance shall constitute an act of the Board and the Corporation, unless the act of a greater number of directors is required by these Bylaws, City ordinance/resolution or state law.

Section 6. 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 prescribed by the Board.

- B. At all meetings of the Board, the president shall preside, and in the absence of the president, the vice-president shall preside.
- C. The Secretary of the Board shall act as secretary of all meetings of the Corporation, but in the absence of the secretary, the presiding officer shall appoint any person to act as secretary of the meeting.

Section 7. Committees.

With concurrence of a majority of the Board, the president of the Board may appoint ad hoc committees for such work and terms as may be directed. Official ad hoc committees of the Board shall consist of two (2) but not more than three (3) directors. It is provided, however, that all final 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. Vacancies in the membership of any ad hoc committee may be filled by the President of the Board with the concurrence of a majority of the Board.

Section 8. Compensation.

Directors shall serve as such without compensation except that they shall be reimbursed for their actual expenses as authorized by the Board and incurred in the performance of their duties as directors, including but not limited to the cost of travel, lodging and incidental expenses reasonably related to the corporate duties of the Board.

Section 9. Attendance at Meetings.

Regular attendance at Board meetings is required of all directors.

Section 10. Conflict of Interest; Loans.

A. A contract or transaction between the Corporation and a director or officer, or the Corporation and another organization in which a director or officer has a financial interest is not void or voidable solely because the director or officer is present at or participates in the meeting of the Board that authorizes the contract or transaction, or solely because the director's or officer's vote is counted for that purpose, if one of the following is satisfied:

- (1) The material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the Board and the Board in good faith and with ordinary care authorizes the contract or transaction by the affirmative vote of a majority of the disinterested directors and officers, even though the disinterested directors and officers are less than a quorum;
- (2) The material facts as to the relationship or interest as to the contract or transaction are disclosed or are known to the directors or officers entitled to vote on the contract or transaction, and the contract or transaction is specifically approved in good faith and with ordinary care by vote of the disinterested directors and officers; or
- (3) The transaction is fair to the Corporation when it is authorized, approved, or ratified by the Board.

B. No loan shall be made by the Corporation to its directors or a business owned by a director.

Section 11. Implied Duties.

The Board is directed to develop and utilize a rolling three (3) year Strategic Plan with established goals as an ongoing action plan for the Corporation subject to the approval of the governing body of the City to accomplish the purposes and duties stated or implied in the Articles of Incorporation, these Bylaws, and in accordance with state law.

The Strategic Plan also shall be a key component in the development of the annual budget.

Section 12. Board's Relationship to the City.

In accordance with state law, the Board shall be responsible for the proper discharge of its duties assigned herein. The Board shall determine its policies and directives within the limitations of the duties herein imposed by applicable laws, the Articles of Incorporation, these Bylaws, contracts entered into with the City, and budget and fiduciary responsibilities. The Board or its designee shall make any request for services from City departments and personnel in writing to the City Manager. The City Manager may approve such request for services from the Board when he finds such requested services are available within the City and that the Board has agreed to reimburse the City for such costs as provided in these Bylaws.

Section 13. Contracts for Service.

A. The Board may, with approval of the governing body of the City, 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 its policy-making functions and discretion in discharging its duties.

B. Subject to the authority of the City Manager or City ordinances/resolutions, the Corporation shall have the right to utilize the services of the staff, employees and departments of the City, provided that an administrative services agreement has been executed between the Board and the governing body of the City for appropriate services and compensation in conformance with state law.

Section 14. Participation in Meetings.

The City Manager, Mayor and members of the City Council shall have the right to take part in any discussion of the Board, or committees thereof, including attendance of executive sessions, but shall not have the power to vote in any meetings unless serving as a director.

**ARTICLE IV
OFFICERS**

Section 1. Officers; Term.

The Board shall appoint a president, vice-president and secretary at its first regular meeting of the year. These officers shall serve in their respective offices for a term of one (1) year. One person may hold more than one office, except the president who may not hold other officer positions on the Board.

Section 2. Vacancies.

A vacancy in the office of president, vice-president or secretary which occurs by reason of death, resignation, disqualification, removal or otherwise, shall be filled by election by the Board from the remaining directors for the unexpired portion of the term of that office.

Section 3. Powers and Duties of President.

- A. The president shall be the chief executive officer of the Corporation, and shall, subject to the authority of the Board, preside at all meetings of the Board, and absent any different designation by a majority of the Board, shall sign and execute all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, and notes in the name of the Corporation.
- B. The president shall also:
 - (1) Call all meetings of the Board; finalize the respective meeting agenda; preside over each meeting.
 - (2) Have full voting rights on all matters properly before the Board, including but not limited to amending or repealing the Bylaws;
 - (3) Appear before the governing body of the City, when requested, to report on the status of activities of the Corporation;
 - (4) Appear before the governing body of the City, or be represented by his designee, regarding any item considered by the governing body of the City concerning the Corporation; and
 - (5) Perform all duties incident to the office of president, and such other duties as prescribed from time to time by the Board.

Section 4. Powers and Duties of Vice-President.

The vice-president shall exercise the powers of the president during that officer's absence or inability to act. The vice-president shall perform other duties as from time to time may be assigned by the president or the Board.

Section 5. Powers and Duties of Secretary.

- A. The secretary shall keep minutes of the transactions of the Board and shall cause such official minutes to be recorded in books kept for that purpose in the principal office of the Corporation. The unofficial minutes from a meeting of the Board shall be distributed to the Board members for their approval at the next Board meeting.
- B. The secretary shall also:
 - (1) Assure that the minutes of all meetings of the Board and committees are maintained in books provided for that purpose.
 - (2) Be custodian of the corporate records and seal of the Corporation as may be desired.
 - (3) Keep a register of the mailing and street address of each director.
 - (4) Give and serve all notices.
 - (5) 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 except the books of account and financial records and securities, and such other books and papers as the Board may direct;
 - (6) Endorse and countersign, on behalf of the Corporation, for collection or issuance, checks, notes and other obligations in or drawn upon such bank or

depository as shall be designated by the governing body of the City, consistent with these Bylaws;

- (7) Provide notice to all directors of all meetings, consistent with these Bylaws; and
- (8) Perform all duties incident to the office, and such other duties as prescribed from time to time by the Board.

ARTICLE V FINANCIAL ADMINISTRATION

Section 1. Annual Budget.

The fiscal year of the Corporation shall begin on October 1 and end on September 30 of the following year. The Board shall follow the timelines and procedures of the governing body of the City in developing and adopting its annual budget.

The budget of the Corporation shall contain such classifications and be in such form as prescribed from time to time by the governing body of the City. The budget proposed for adoption shall include the projected operating expenses, and such other budgetary information as shall be required by the governing body of the City for its approval and adoption. The budget shall be considered adopted upon formal approval by the Board and subsequently, the governing body of the City.

Section 2. Financial Books; Records; Audits.

The Corporation shall keep and properly maintain, in accordance with generally accepted accounting principles, complete financial books, records, accounts and financial statement pertaining to the corporate funds, activities and affairs. The City shall cause the Corporation's financial books, records, accounts, and financial statements to be audited at least once each year by an outside, independent auditing and accounting firm selected by the governing body of the City. Such audit shall be conducted at the expense of the Corporation.

Section 3. Debt; Deposit and Investment of Corporate Funds.

- A. All proceeds from the issuance of bonds, notes or other debt instrument issued by the Corporation shall be deposited and invested as provided in the resolution, order, indenture or other document authorizing or relating to their execution or issuance and handled in accordance with state law, but no bonds shall be issued, including refunding bonds, by the Corporation without the approval of the governing body of the City after review and comment by the City's bond counsel and financial advisor.
- B. All monies of the Corporation 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, as authorized by City policy, ordinance or resolution. The Board shall designate the accounts and depositories to be created and designated for such purposes of the Corporation. The Corporation shall perform the accounts, reconciliation and investment of such funds and accounts.

Section 4. Expenditure of Corporate Money; Bonds.

- A. The funds of the Corporation, including sales and use taxes collected pursuant to the Act, may be expended by the Corporation for any of the purposes authorized by the Act, and subject to the following:

- (1) Expenditures from the proceeds of bonds shall be identified and described in the order, resolution, indenture or other agreement submitted to and approved by the governing body of the City.
- (2) Expenditures from a fund created from the proceeds of bonds, and expenditures of monies derived from sources other than the proceeds of bonds may be used as defined in the Act. Specific expenditures shall be described in a resolution or order of the Board and shall be made only after approval of the governing body of the City.
- (3) All other proposed expenditures shall be made in accordance with and shall be set forth in the annual budgets or in contracts meeting the requirements of these Bylaws.

Section 5. Dividends.

- A. No dividends shall ever be paid by the Corporation and no part of its net earnings remaining after payment of its expenses and other obligations shall be distributed to or inure to the benefit of its directors, officers, or any individual, private firm, or private corporation or associations.
- B. Following the close of fiscal year, the Board shall determine:
 - (1) That sufficient provision has been made for the full payment of all current expenses.
 - (2) That all amounts payable on the contracts, agreements, bonds, notes, and other obligations of the Corporation are encumbered.
 - (3) That all of the terms, provisions and covenants therein have been met, then any net earnings derived from sources other than the sales and use taxes collected for the account of the Corporation pursuant to Section 4B of the Act thereafter accruing and lease payments received in connection with projected finances pursuant to the Section 4B of the Act shall be paid to the City.
 - (4) All sales and use taxes collected for the account of the Corporation pursuant to Section 4B of the Act, and lease payments received in connection with projects financed pursuant to Section 4B of the Act shall be used solely for the purposes permitted by Section 4B of the Act.

**ARTICLE VI
MISCELLANEOUS**

Section 1. Seal.

The Board may obtain a corporate seal which shall bear the words "Corporate Seal of the Bee Cave Development Corporation" and the Board may hereafter use the corporate seal and corporate name. Use of the corporate seal is not required.

Section 2. Advice and Consent of Governing Body of the City.

To the extent these Bylaws refer to action, approval, advice or consent of the governing body of the City, such action, approval, advice or consent shall be, unless otherwise

indicated, evidenced by a motion, resolution or ordinance duly passed by the governing body of the City and reflected in the minutes of the same.

Section 3. Liability; Indemnification; Insurance.

- A. The Corporation, directors, the City, members of the governing body of the City, employees of the Corporation and employees of the City shall not be and are not liable for damages arising from the performance of any function, governmental or otherwise, of the Corporation. For purposes of the Texas Tort Claims Act (Chapter 101, Texas Civil Practice and Remedies Code), the Corporation is a governmental unit and its actions are governmental functions.
- B. The Corporation shall indemnify any director or officer, former director or officer, employee, agent or representative of the Corporation and hold them harmless from any and all claims, actions, damages, suits proceedings, judgments, liabilities, costs and expenses (including reasonable attorneys' fees and court costs) to the fullest extent permissible under the Act, the Texas Non-Profit Corporation Act, or other applicable rules, regulations or laws.
- C. The Corporation may purchase and maintain insurance on behalf of any director, officer, employee, agent or representative of the Corporation against any liability asserted against him and incurred by him in such capacity or arising out of his actions or status in such capacity to the fullest extent permissible under the Act, the Texas Non-Profit Corporation Act, or other applicable rules, regulations or laws.
- D. The liability of a director shall be limited to the fullest extent permitted by the Act, the Texas Non-Profit Corporation Act, or other applicable rules, regulations or laws. To the extent permitted by law, no director shall be personally liable to the Corporation for monetary damages for an act or omission in the director's capacity as director, except that these Bylaws do not eliminate or limit the liability of a director to the extent the director is found liable for:
 - (1) A breach of the director's duty of loyalty to the Corporation or its Board members.
 - (2) An act or omission not in good faith that constitutes a breach of duty of the director to the Corporation or an act or omission that involves intentional misconduct or a knowing violation of the law.
 - (3) A transaction from which the director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the director's office; or
 - (4) An act or omission for which the liability of the director is expressly provided for by statute.

Section 4. Gifts.

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

Section 5. Amend or Repeal Bylaws.

These Bylaws may be amended or repealed, and new bylaws adopted by an affirmative vote of four (4) directors, subject to the approval of the governing body of the City. The governing body of the City, by resolution, may amend these Bylaws at any time, without approval of the Board at its sole discretion.

Section 6. Training.

The person responsible for the daily administration of the Corporation shall, at least once in each 24-month period, attend a training seminar sponsored by the Texas Department of Commerce under Section 481.0231, Texas Government Code. A certificate of completion shall be presented to the comptroller in accordance with state law.

Section 7. Dissolution.

- A. The governing body of the City may terminate or dissolve the Corporation as provided by the Act.
- B. The Corporation shall not be dissolved, and its business shall not be terminated by the act of the governing body of the City or otherwise, so long as the Corporation shall be obligated to pay any bonds, notes or other obligations and unless the collection of sales and use tax authorized by Section 4B, as amended, of the Act is eligible for termination in accordance with the provisions of the Act.
- C. No action shall be taken under these Bylaws or the Articles of Incorporation in any manner or at any time that would impair any contract, lease, right, or other obligation theretofore executed, granted or incurred by the Corporation.
- D. If the Corporation ever should be dissolved when it has, or is entitled to, any interest in any funds or property of any kind, real, personal or mixed, such funds or property or rights thereto shall not be transferred to private ownership, but shall be transferred and delivered to the City after satisfaction or provision for satisfaction of all debts, claims, and contractual obligations, including any contractual obligations granting rights of purchase of property of the Corporation.

Section 8. Effective Date.

These Bylaws, having been originally approved by the governing body of the City in Resolution No. 03-05-13-A, and as amended by the Board in Resolution No. BCEDC 2019-02 and as further amended by the Board on August 11, 2020 and approved by the governing body of the City in Resolution No. 2020-08, effective on September 22, 2020.