

**BYLAWS OF THE
DEVELOPMENT CORPORATION OF RICHMOND,
A NON-PROFIT CORPORATION
RICHMOND, TEXAS**

ARTICLE I – OFFICES

1.01. REGISTERED OFFICE AND REGISTERED AGENT

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. The Board of Directors may, from time to time, change the registered agent and/or the address of the registered office, except that such change is appropriately reflected in these Bylaws and in the Articles of Incorporation.

The registered office of the Corporation is located at 402 Morton Street, Richmond, Texas, and at such address is the Corporation, whose mailing address is 402 Morton Street, Richmond, Texas 77469.

1.02. PRINCIPAL OFFICE

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

ARTICLE II - PURPOSES

2.01. PURPOSES

The Corporation is a non-profit corporation specifically governed by the Texas Development Corporation Act of 1979 (now Texas Business Organizations Code), as amended. The purpose of the Corporation is to promote and develop new and expanded business enterprises, and retain existing business enterprises, including projects authorized by Chapters 501 and 505, Texas Local Government Code, in order to eliminate unemployment and to enhance the public welfare of, for and on behalf of the City, all in accordance with the Articles of Incorporation.

ARTICLE III - MEMBERS

3.01. MEMBERS

The Corporation shall have no members.

ARTICLE IV - BOARD OF DIRECTORS

4.01. BOARD OF DIRECTORS

The business and affairs of the Corporation and all corporate powers shall be exercised by or under the authority of the Board of Directors (the "Board"), appointed by the governing body of the City of Richmond, and subject to applicable limitations imposed by the Texas Non-Profit Corporation Act (now Chapter 22, Nonprofit Corporations, Texas Business Organizations Code),

The Texas Business Corporation Act (Texas Business Organizations Code), the Articles of Incorporation, or 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 to transact the general business or any special business of the Corporation and may give powers of attorney to agents of the Corporation to transact any special business requiring such authorization.

The Board may plan and direct its work through an Economic Development Director, who will be charged with the responsibility of carrying out the Corporation's program as adopted and planned by the Board. The Board may contract with another entity for the services of an Economic Development Director.

4.02. NUMBER AND QUALIFICATIONS

(a) The authorized number of Directors of this Board shall be seven (7), five (5) of whom are not employees, officers, or members of the governing body of the City of Richmond.

(b) Each applicant for the Board of Directors (not members of the City Commission) will be interviewed by the Commission interview committee. The Commission interview committee will nominate an applicant for appointment to each vacant or expiring board position. Appointment of each Director may be approved by simple majority vote of the City Commission.

(c) Two members of the City Commission shall be nominated by the Mayor and appointed by the City Commission as Directors.

(d) Each Director shall be a qualified voter and resident of the City, with no more than one member from the City's Extraterritorial Jurisdiction (ETJ). The City Commission shall consider an individual's experience, accomplishments, and educational background in appointing members to the Board to ensure that the interests and concerns of all segments of the community are considered.

4.03. BONDS

The President, Vice-President and Treasurer of the Board may each be required to give an official bond in the sum of not less than twenty thousand dollars (\$20,000.00). The bonds referred to in this section shall be considered for the faithful accounting of all 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 the officer's bond shall be filed with the City Secretary.

4.04. GENERAL DUTIES OF THE BOARD

In order to accomplish its public purpose, the Board's general duties are as follows:

- A. The Board shall research, develop, prepare, and submit to the City Commission, for approval, an economic development strategic plan for the City of Richmond. The economic development strategic plan shall be reviewed semi-annually. The economic development strategic plan developed by the Board may include the following elements:
 1. Strategies to encourage business development in the City,
 2. Strategies to fully utilize the assets of the City that enhance economic development,
 3. Coordination of public, private and academic resources to develop and enhance business opportunities for all citizens of Richmond,
 4. Accountability of all public funds expended for implementation of the overall economic development plan,
 5. Implementation of identified strategies for direct economic development as defined in Subsection E this Section, and
 6. An annual work plan outlining the activities, tasks, projects, and programs to be undertaken by the Board during the upcoming fiscal year. The annual work plan shall be submitted with the annual budget as outlined in Article VII.
- B. The Board shall review and update its plans and policies annually or as deemed necessary.
- C. The Board shall expend, in accordance with State law, the funds received by it on direct economic development where such expenditures will have a direct benefit to the citizens of Richmond.
- D. The Board shall be regularly accountable to the City Commission for all activities undertaken by them or on their behalf, and shall report on all activities of the Board, whether discharged directly by the Board or by any person, firm, corporation, agency, association, or other entity on behalf of the Board.

1. A report shall be made by the Board to the City Commission semi-annually with the first report being made by July 1st of each year, and a similar report being made each succeeding six (6) months, but in no event shall a period of time more than six (6) months be allowed to elapse between such reports. The semi-annual report may include the following:
 - 1.1 Accomplishments and activities to date, anticipated short-term challenges and long-term issues with recommendations to meet such challenges;
 - 1.2 A recap of all expenditures to date, together with a recap of budgeted funds left unexpended and any commitment made on said unexpended funds; and
 - 1.3 The policies and strategy followed by the Board in relation to direct economic development together with any new or proposed changes in said policies and strategy.
2. The semi-annual report shall be made to the City Commission no later than December and June of each year.
3. The semi-annual report shall be considered by the City Commission for its review and acceptance.

- E. "Direct economic development" shall mean the expenditure of funds for programs that directly accomplish or aid in the accomplishment of creating identifiable new jobs or retaining identifiable existing jobs. Direct economic development includes 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:
1. Business retention and expansion;
 2. Formation of new businesses;
 3. Attracting new businesses; and
 4. Any project authorized by Chapters 501 and 505 of the Texas Local Government Code for which the Corporation is eligible.

4.05. IMPLIED DUTIES

The Development Corporation of Richmond is authorized to do that which the Board deems desirable to accomplish any of the purposes or duties set out or alluded to in Section 4.04 of this Article and in accordance with State law.

4.06. TENURE

The terms of office for the Directors (not members of the City Commission) shall be two-year terms. The terms of office for the Directors who are members of the City Commission shall be January 10, 2024

one-year terms. Directors shall be removable at any time by a majority vote of the City Commission.

4.07. VACANCIES

Any vacancy occurring shall be filled by appointment by the City Commission, as provided in Sec. 4.02.

4.08. MEETINGS

The Board shall meet at least once each month at a place within the boundaries of the City of Richmond and at a time to be determined by the President. All meetings of the Board shall provide notice thereof as provided and set forth in Texas Open Meetings Act, Chapter 551, Texas Government Code. Any member of the Board may request that an item be placed on the agenda by delivering the same in writing to the Secretary of the Board no later than ten (10) days prior to the date of the Board meeting. The President of the Board shall set regular meeting dates and times at the beginning of his term.

Notice of any meeting shall be given to the public in accordance with the requirements of the Texas Open Meetings Act. All meetings shall be conducted in accordance with the Texas Open Meetings Act.

The annual meeting of the Board of Directors shall be no later than December of each year.

4.09. ATTENDANCE

Regular attendance at the Board meetings is required of all directors. The following number of absences may constitute the need for replacement of a Director: three (3) consecutive absences or attendance reflecting absences constituting 50% of the meetings over a six-month period. In the event replacement is indicated, the Director will be counseled by the President or President's designee 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, a majority of the entire membership of the Board shall constitute a quorum. For purposes of transacting the business of the Corporation at any meeting, a majority of the entire membership of 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 Directors 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 a conflict 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 COMMISSION

In accordance with State law, the City Commission shall require the Development Corporation of Richmond be responsible to the Commission for the proper discharge of its duties assigned in this Article. All policies for program administration shall be submitted for Commission approval, and the Board shall administer said programs accordingly. The Board shall determine its policies and direction 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.

4.14. BOARD'S RELATIONSHIP WITH ADMINISTRATIVE DEPARTMENTS OF THE CITY

The Board may utilize the services of the administrative departments and the City Attorney of the City as provided for in the annual budget. The Board may request additional services of the administrative departments and/or the City Attorney of the City by written request of the Board or Board's designee to the City Manager. The City Manager may approve such request for assistance from the Board when he/she finds such requested services are available within the administrative departments of the City and/or City Attorney and that the Board has agreed to reimburse the City's operating budget for the costs of such services so provided.

ARTICLE V - OFFICERS

5.01 OFFICERS OF THE CORPORATION

The elected officers of the Corporation shall be a President, a Vice-President, a Secretary, and a 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.

5.02 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 Directors, individuals to hold such office. The term of office of the President and Vice-President shall always be for a period of one (1) year, except that the President and Vice-President continue to serve until the election of their successors.

The Secretary and Treasurer shall be selected by the Directors 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 annual meeting of the Board.

5.03. VACANCIES

Vacancies in any office that 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 that office in the same manner as other officers are elected to the Board.

5.04. PRESIDENT

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

- A. Shall preside over all meetings of the Board.
- B. Shall have the right to vote on all matters coming before the Board.
- C. Shall have the authority, upon notice to the Directors of the Board, to call a special meeting of the Board when in his/her judgment such meeting is required.
- D. Shall have the authority to appoint standing committees to aid and assist the Board in its business undertakings or other matters incidental to the operation and functions of the Board.

- E. Shall have the authority to appoint ad hoc committees to address issues of a temporary nature of concern or that 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 that 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.

5.05. 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 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.

5.06. 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 Meetings Act (Chapter 551, Texas Government Code) or the Texas Open Records Act (now Texas Public Information Act) (Chapter 552, Texas Government Code) 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 of each Director.

5.07. TREASURER

The Treasurer may 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, typically the amount of such bond shall be an amount equal to the average of the sums that the Treasurer has access to and the ability to convert during a twelve-month (12) period of time. The Treasurer, or Treasurer's designee, shall have charge and custody of and be responsible for all funds and securities of the Corporation. The Treasurer or Treasurer's designee shall receive and give receipt for money due and payable to the Corporation for 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 Seven of the Bylaws. The Treasurer shall, in general, perform all duties incident to that office, and such other duties as from time to time may be assigned to him by the President of the Board. Specifically, the Treasurer

or Treasurer's designee shall prepare and present to each regular meeting of the Board, a monthly financial statement.

5.08. 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 Treasurer, or by the President or the Board of Directors.

5.09. ECONOMIC DEVELOPMENT DIRECTOR

A. To assist the Board in the implementation of the economic development plan and duties of the Board, the Board may seek out and employ an Economic Development Director, subject to confirmation by the City Commission. The Economic Development Director shall be responsible to the Board and shall act as the Board's chief administrative officer. The Board shall, in the annual budget, make provisions for the compensation to be paid to the Economic Development Director and such compensation so established by the Board shall comprise the salary and benefits paid to the Economic Development Director for his/her services. The Economic Development Director shall develop policies and procedures for the Corporation including financial, accounting, and purchasing policies and procedures to be approved by the Board and City Commission. The Economic Development Director shall be subject to the management, supervision, and direction of the Board for the operational functions, activities, and duties set forth above in this Section 5.09; to carry out the program of the Corporation as adopted and planned by the Board; assist the Board in review and update of its plans and policies; assist the Board in reporting its activities to the City Commission; prepare and properly post agendas of the meetings of the Board; the hiring, direction, and controlling the work of authorized additional employees as provided in Section 5.11 below; assist the Board in the development and presentation of the annual budget; informing the Board of all development and activities concerning business retention and expansion; informing the Board of all development and activities concerning new business formation; informing the Board of all development and activities concerning business attraction and recruitment; administer the budget and expenditures under the budget; and the performance of other duties and activities assigned by the Board to the Economic Development Director.

B. The Economic Development Director shall be subject to the management, supervision, and direction of the City Manager for the day-to-day administrative functions and activities, including attendance, taking of leave, time keeping, interaction with other employees, and compliance with the City of Richmond Personnel Policies & Procedure Manual to facilitate efficient collaboration regarding administrative requirements for the carrying out of the duties assigned by the Board. The Economic Development Director shall be subject to and shall comply with the City of Richmond Personnel Policies & Procedures Manual.

C. The Economic Development Director may be removed by a vote of a majority of Directors of the Corporation. The Board may seek advice and guidance from the City Manager in relation to the hiring and removal of the Economic Development Director.

5.10. CITY MANAGER

The Board may seek the advice and observations of the City Manager to assist the Board to facilitate efficient collaboration regarding the performance of the Economic Development Director in carryout the duties assigned to the Economic Development Director by the Board. The City Manager may report to the Board information related to the City Manager's supervision of the Economic Development Director as provided in Section 5.09B.

5.11. OTHER EMPLOYEES

The Corporation may contract with the City for additional full or part-time employees as needed to carry out the programs of the Corporation pursuant to Section 4.04C, these employees shall be City employees and perform those duties as are assigned to them by the Economic Development Director. Compensation and benefits for such additional contracted employees shall be as established in the Corporation's annual budget. The Economic Development Director, with the advice and consent of the City Manager, shall hire, direct, and control the work of such additional contracted employees. Such employees shall be subject to and shall comply with the City of Richmond Personnel Policies & Procedures Manual.

5.12. PROHIBITIONS

A. Members of the Board shall not in any way dictate the appointment or removal of the employees authorized pursuant to Section 5.11, above. The Board, at a meeting called for that purpose, may express its views, and fully and freely discuss with the Economic Development Director anything pertaining to appointment and removal of such employees.

B. Except for the purpose of inquiries and investigations as provided by these By-laws, the Board shall deal with Section 5.11 employees solely through the Economic Development Director. The Board shall not give orders to any such employee, either publicly or privately, except as otherwise provided by these By-laws.

5.13. CONTRACTS FOR SERVICE

The Corporation may, with approval of the City Commission, contract with any qualified and appropriate person, association, corporation, or governmental entity to perform and discharge designated tasks that 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 herein above set forth in this Section.

ARTICLE VI – COMMITTEES

January 10, 2024

6.01. QUALIFICATIONS FOR COMMITTEE MEMBERSHIP

Members of committees shall be appointed by the President. Committee members need not be Directors of the Development Corporation of Richmond unless required by these Bylaws or Board resolution.

6.02. STANDING COMMITTEES

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

- A. Budget, Finance and Audit Committee: This committee shall have the responsibility of working with the Economic Development Director, or the contractual entity performing as an Economic Development Director as the case may be, in the formation and promotion of the annual budget of the Board. This committee shall present such budget to the Board and, upon approval, shall present, in accordance with these Bylaws, said budget to the City Commission. In addition to the preparation of the budget for the Board, this committee shall monitor all budget expenditures of the Board and keep the Board advised in such matters. This Committee shall further have the responsibility to oversee and work with auditors of the City or outside auditors when audits of the Board are being performed.
- B. Committee for Business Retention and Expansion: This committee shall work with the Economic Development Director and shall keep the Board informed of all development and activities concerning business retention and expansion.
- C. Committee for New Business Formation: This committee shall work with the Economic Development Director and shall keep the Board informed of all development and activities concerning new business formation.
- D. Committee for New Business Attraction and Recruitment: This committee shall work with the Economic Development Director and shall keep the Board informed of all developments and activities concerning business attraction and recruitment.

6.03. 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 the members of the respective committees.

6.04. COMMITTEE AUTHORITY

No 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 a 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 of the Corporation or revoking the proceedings therefor; adopting a plan for the distribution of the assets for 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 committee and any express delegation of authority to that committee 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.

6.05. TERM OF OFFICE OF COMMITTEE MEMBERS

Each member of a committee shall continue until the next annual appointment of the Board of Directors and until his or her 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 revoked 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.

6.06. 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.

6.07. EX-OFFICIO MEMBERS

The City Manager may attend all meetings of the Board of Directors or committees, including executive, private or public, as an ex-officio member. This representative shall not have the power to vote in the meetings the City Manager attends. The City Manager's attendance shall be for the purposes of ensuring that information about the meetings is accurately communicated to the City Commission and to satisfy the City Commission's obligation to control the powers of the Corporation.

ARTICLE 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.

7.01. FISCAL YEAR

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

7.02. BUDGET

A budget for each fiscal year shall be prepared and submitted to the Board of Directors, on or before their August meeting, for review, modification, and approval so that the City Commission may include the budget for the Corporation in the budget for the City for the fiscal year.

7.03. SPENDING LIMITS

The Board may spend no more than ten percent (10%) in one year of the annual budgeted revenues for non-budgeted expenses without prior consent from the City Commission.

7.04. CONTRACTS

As provided in Article V above, the President and Secretary shall execute any contracts or other instruments that the Board has approved and authorized to be executed, except that that the Board may, by appropriate resolution, authorize any other officer or officers or any other agent or agents, including the Economic Development Director, to enter into contracts or execute and deliver any instrument in the name and on behalf of the Corporation.

Such authority may be confirmed 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, except that no such power of attorney may be granted unless an appropriate resolution of the Board authorizes the same to be done.

7.05. 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 or bear the facsimile signature of two (2) persons: either the President or the Treasurer; and such other person as designated by the Board.

7.06. DEPOSITS

All funds of the Development Corporation of Richmond shall be deposited on a regular basis to the credit of the Corporation in the financial institution that serves as the official City depository.

7.07. GIFTS

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

7.08. PURCHASING

All purchases made and contracts executed by the Corporation shall be made in accordance with the requirement of the Texas Constitution and statutes of the State of Texas.

7.09. INVESTMENTS

Temporary and idle funds that are not needed for immediate obligations of the Corporation may be invested in any legal manner provided in Public Funds Investment Act, Chapter 2256 of Texas Government Code.

7.10. BONDS

Any bonds issued by the Corporation shall be in accordance with the statute governing this Corporation, but, in any event, no bonds shall be issued without approval of the Richmond City Commission after review and comment by the City's bond counsel and financial advisors.

7.11. 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 undesignated fund balance may be committed for any legal purpose provided the Corporation's Board of Directors and the City Commission both approve such commitment. Such purposes may include the establishment of a Permanent Reserve Fund that shall be accumulated for the purpose of using the interest earnings of such fund to finance the operation of the Corporation.

ARTICLE VIII - BOOKS AND RECORDS

8.01 BOOKS AND RECORDS

The Corporation shall keep correct and complete books and records of all actions of the Corporation. These books and records include 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 Commission. 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 that may be designated as public information by law shall be open to public inspection at any reasonable time. The Texas Open Records Act (now Public Information Act) shall apply to the

disclosure of public information. The Board of Directors shall provide for an annual financial audit to be performed by a competent independent audit firm selected by the City Commission.

8.02. MONTHLY REPORTS

The Corporation shall provide to the City Commission upon request monthly summaries of proposed disbursement of funds.

ARTICLE IX - SEAL

9.01. SEAL

The Board of Directors shall obtain a corporate seal that shall bear the words "Development Corporation of Richmond," "Not for Profit," "Texas," and "1996." 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.

ARTICLE X - PARLIAMENT AUTHORITY

10.01. AMENDMENTS TO BYLAWS

Bylaws may be adopted by an affirmative vote of five (5) of the authorized Directors serving on the Board at a special meeting of the Directors held for such specific purpose, and the notice requirements stated hereinabove regarding special meetings shall apply. The Directors of the Corporation present at an annual meeting of the Board may, by an affirmative vote of a majority of the Directors, in accordance with the requirements of Article IV above, amend or repeal and institute new Bylaws, except that, at least ten (10) days prior to the annual meeting, written notice setting forth the proposed action shall have been given to the Directors, and there shall be public notice regarding such action according to the requirements of the Texas Open Meeting Act. Notwithstanding the foregoing, no amendment shall become effective unless the City Commission approves the amendment.

ARTICLE XI - DISSOLUTION

11.01. DISSOLUTION

On petition of ten (10) percent or more of the registered voters of the City of Richmond requesting an election on the dissolution of the Corporation, the City Commission shall order an election on the issue. The election must be conducted according to the applicable provision(s) of the Texas Election Code. The ballot for the election shall be printed to provide for voting for or against the proposition:

11.02. TERMINATION OF THE DEVELOPMENT CORPORATION OF RICHMOND

If a majority of voters voting on the issue approve the termination of the Development Corporation of Richmond, the Corporation shall continue operations only as necessary to pay the principal and

interest on its bonds to meet obligations incurred before the date of the election and, to the extent practicable, to dispose of its assets and apply the proceeds to satisfy those obligations. When the last of the obligations is satisfied, any remaining assets of the Corporation shall be transferred to the City, and the Corporation is dissolved.

ARTICLE XIII - INDEMNITY

12.01. INDEMNITY

The Board of Directors shall authorize the Corporation to pay or reimburse any current or former Director or officer of the Corporation for any costs, expenses, fines, settlements, judgments and any other amounts, actually and reasonably incurred by such person in any action, suit or proceeding in which he or she is made a party by reason of holding such position as officer or Director, except that such officer or Director shall not receive such indemnification if he/she is finally adjudicated in such instance to be liable for gross negligence or intentional 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 the indemnification to cover the good faith settlement of any such action, suit or proceedings, whether formally instituted or not.

To the extent the Board of Directors authorizes indemnification to Directors or officers of the Corporation, the City of Richmond shall also provide indemnity to said Directors and officers. However, the City of Richmond's indemnification shall only apply after the Corporation's ability to indemnify has been exhausted. Nothing in this Article creates personal liability on the part of officers and Directors to any extent not otherwise provided by statute or case law.

Furthermore, the Corporation agrees to indemnify and hold harmless and defend the City of Richmond, 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 attorney's fees and other reasonable costs arising out of or resulting from the 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 the Corporation, including but not limited to its officers, agents, employees, licensees, invitees and other persons.

The Corporation further agrees that it shall at all times exercise reasonable precautions on behalf of, and be solely responsible for, the safety of its officers, agents, employees, licensees, invitees, and other persons, as well as their property, while in the vicinity where activities are being performed. It is expressly understood and agreed that the City of Richmond shall not be liable or

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

Notwithstanding the provisions for indemnity and reimbursement in this Article XII, neither the City nor the Corporation waives any immunity from liability or limitation of liability provided under the United States Constitution, the Texas Constitution, the Texas statutes, or the Charter of the City of Richmond by the provision of indemnity or reimbursement.

ARTICLE XIII - MISCELLANEOUS

13.01. 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.