

**RESOLUTION NO. 2019-01**

**A RESOLUTION APPROVING THE BYLAWS OF THE SAN BENITO ECONOMIC DEVELOPMENT CORPORATION, AS AMENDED ON April 25, 2019.**

**Whereas**, the San Benito Economic Development Corporation, Inc., is a development corporation created by the City of San Benito by action of its City Commission in 1995; and

**Whereas**, the San Benito Economic Development Corporation, Inc., was created as a "4B" development corporation under the Development Corporation Act of 1979, as amended, now Chapter 501 et seq. of the Texas Local Government Code ; and

**Whereas**, the San Benito Economic Development Corporation, Inc., amended its Bylaws by majority vote of a quorum at its meeting on April 25, 2019; and

**Whereas**, Section 501.064 of the Texas Local Government Code provides that the governing body of the corporation's authorizing unit, in this case being the City of San Benito, must approve the bylaws and any amendments by resolution;

**NOW, THEREFORE, BE IT HEREBY RESOLVED** that the Bylaws of the San Benito Economic Development Corporation, Inc., as amended by the Board of Directors at its meeting on April 25, 2019, are hereby approved by the City Commission.


**BE IT FURTHER RESOLVED** that all prior resolutions in conflict herewith are expressly repealed. Passed and approved on this 7<sup>th</sup> of May 2019.

CITY OF SAN BENITO, TEXAS



Benjamin Gomez  
Mayor

Attest:

  
Ruth A. McGinnis  
City Secretary

AMENDED BYLAWS OF THE  
SAN BENITO ECONOMIC DEVELOPMENT CORPORATION, INC.  
(A NON-PROFIT CORPORATION) SAN BENITO, TEXAS

**Non-Profit Corporation**

The San Benito Economic Development Corporation, Inc. (the "Corporation ") is a non-profit 4B development corporation specifically governed by Section 4B of the Development Corporation Act of 1979, Vernon's Ann. Cit. Stat. Art. 5190.6, (the "Act"), now Vernon's Texas Civil Codes, Local Government Code, Section 501.001et seq., as amended.

**Authorization**

The City has specifically authorized the Corporation by Ordinance 2171, to act on its behalf to further the public purpose stated in the Act.

**Registered Office and Registered Agent**

The Corporation shall have and shall continuously maintain in the State of Texas a registered office and registered agent, whose office is identical with such registered office, as required by the Texas Non-profit Corporation Act the Board 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 701 N. Bowie Street, San Benito, Texas, 78586, and such address is the office address of the Corporation. The registered agent shall be the Finance Director of the City of San Benito.

**Principal Office**

The principal office of the Corporation shall be located at 701 N. Bowie Street, in the City of San Benito, County of Cameron, State of Texas.

**Purpose**

The purpose of the San Benito Economic Development Corporation, Inc. (the "EDC") is to retain, expand, recruit, enhance and promote economic and industrial development for the City of San Benito, in accordance with the provisions of the Act.

**Members**

The Corporation shall have no Members or shareholders.

**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



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governing body of the City of San Benito in the manner provided by the Act and subject to applicable limitations imposed by the Texas Non-Profit Corporation Act, the Texas Business Corporation Act, the Articles of Incorporation, and these Bylaws, (in that order of hierarchy). The Board may, by contract, resolution, or otherwise, give general or limited or special powers and authority to the officers and employees of the Corporation to transact the general business of the Corporation, and may give powers of attorney to agents of the Corporation to transact any special business requiring such authorization. All actions of the Board in the exercise of any powers on behalf of the Corporation shall be subject to the approval of the City Commission.

The affairs of the Corporation shall be managed by a Board. The Board shall be comprised of seven (7) Directors.

The Directors shall be appointed as provided by the Act, the City Charter and any applicable Ordinance. Any vacancy shall be filled in the same manner. The Directors shall serve terms as set forth by ordinance or state law.

When the term of a Director has expired, he/she shall continue to serve as a board member until he/she is re-appointed or replaced by the City Commission.

Each Director shall be eligible for reappointment. Directors are removable at will by majority vote of the City Commission, with the consent of the member of the Commission holding the office or Place on the Commission responsible for appointing the Director.

#### **Qualification**

To qualify to serve on the Board, a person shall be residents of the City and shall meet at least one (1) of the following qualifications:

1. Serve, or have served, as chief executive officer of a company, or
2. Serve, or have served, in a position of executive management of a company; or
3. Serve, or have served, in a professional capacity; or
4. Have experience equivalent to any of the above qualifications as determined by the City Commission.

#### **Ex-Officio Members**

Individuals holding the following positions shall be ex-officio directors of the Corporation, shall be given notice of all meetings of the Board, and may participate in discussions at Board Meetings but shall not be entitled to vote on matters considered by the Board: the Mayor of the City of San Benito, if not serving on the Board, or any designee.



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**Surety Bonds**

The President, Vice President, Secretary/Treasurer, and any other person with check signing authority for the corporation shall each give an official bond in the sum of not less than Five-Hundred Thousand Dollars (\$500,000). The bonds referred to in this section are to be conditioned for the faithful accounting of all moneys and things of value coming into the hands of such officers. The bonds shall be procured from a regularly accredited surety company authorized to do business in this state. The premiums therefore shall be paid by the Corporation. A copy of each officer's bond shall be filed with the City Secretary.

**Powers of the Corporation**

The Corporation shall have and exercise all the rights, powers, privileges, authority, and functions granted by the general laws of Texas to non-profit corporations incorporated under the Texas Non-Profit Corporation Act, as amended (Article 1396- 1.01, et seq., Vernon's Texas Civil Statutes) and such powers given by the Development Corporation Act of 1979, as amended (Article 5190.6, Vernon's Texas Civil Statutes). Subject to the express approval of the City Commission, the Corporation may exercise the following powers with respect to projects together with all powers incidental hereto or necessary for the performance of the powers hereinafter stated:

1. To acquire, whether by construction, devise, purchase, gift, lease, or otherwise or any combination of such methods and to construct, improve, maintain, equip, and furnish one or more projects located within the State of Texas or within the coastal waters of the state and within or partially within the limits of the unit whose auspices the Corporation was created or within the limits of a different unit where the governing body requests the Corporation to exercise its powers therein;
2. To lease to a user all or any part of any project for such rentals and upon such terms and conditions as its Board may deem advisable and not in conflict with the provisions of the Texas Development Corporation Act of 1979 (Tex. Rev. Civ. Stat Ann. Art. 5190.6, as amended);
3. To sell by installment payments or otherwise and convey all or any part of any project to a user for such purchase price and upon such terms and conditions as its Board may deem advisable and not in conflict with the provisions of the Texas Development Corporation Act of 1979 (Tex. Rev. Civ. Stat Ann. Art. 5190.6, as amended);
4. To make secured or unsecured loans for the purpose of providing temporary or permanent financing or refinancing of all or part of the cost of any project, including the refunding of any outstanding obligations, mortgages, or advances issued, made or governed by any person for the cost of a project; and to charge and collect interest on such loans from such loan payments and upon such terms and conditions as the Board may deem advisable and not in conflict with the provisions of the Texas Development Corporation Act of 1979 (Tex. Rev. Civ. Stat. Ann. Art. 5190.6, as amended);
5. To issue bonds for the purpose of defraying all or part of the cost of any project, whether or not the bonds are exempt in whole or part from federal income taxation, to secure the



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payment of such bonds as provided in the Texas Development Corporation Act of 1979 (Tex. Rev. Civ. Stat Ann. Art 5190.6, as amended), and to sell bonds for property, labor, services, materials, or equipment comprising a project or incidental to the acquisition of a project, which bonds may bear interest at any rate or rates determined by the Board, subject to the limitations set forth in the Texas Development Corporation Act of 1979 (Tex. Rev. Civ. Stat Ann. Art. 5190.6, as amended);

6. As security for the payment of the principal of and interest on any bonds issued and agreements made in connection therewith, to mortgage and pledge any collateral or parts thereof, whether then owned or thereafter acquired, and to assign any mortgage and rep/edge any security conveyed to the Corporation to secure any loan made by the Corporation and to pledge the revenues and receipts therefrom;

7. To sue and be sued, complain and defend, in its corporate name;

8. To have a corporate seal and to use the same by causing it or a facsimile thereof to be impressed on, affixed to, or in any manner reproduced upon instruments of any nature required to be executed by its proper officers;

9. To make and alter Bylaws not inconsistent with its Articles of Incorporation or with the laws of this State, with the approval of the City Commission, for the administration and regulation of the affairs of the Corporation;

10. To cease its corporate activities and terminate its existence by voluntary dissolution as provided herein;

11. To make grants to businesses for the creation of permanent jobs, expansion of facilities into the community or surrounding area, and expansion of existing facilities; and

12. Whether included in the foregoing powers granted or not, to have and exercise all powers necessary or appropriate to effect any or all of the purposes for which the Corporation is organized, all of which powers shall be subject at all times to the control and approval of the City Commission.

**General Duties of the Board**

1. The Board shall develop an overall economic and industrial development plan for the City which shall include and set forth intermittent and/or short term goals which the Board deems necessary to fulfill the long term objectives of the plan. Such plan shall be submitted to the City Commission for approval. The overall development plan developed by the Board shall be one that includes the following elements:

- a. An economic and industrial development strategy to permanently bolster the business climate throughout the City;
- b. Strategies to fully utilize the assets of the City which enhance economic and industrial development;

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- c. Assurance of accountability for all sales tax funds and all other funds received and expended by the Corporation;
  - d. Identification and implementation of strategies for direct economic and industrial development as defined in this Section;
  - e. 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 hereinafter set forth.
1. A list of such personnel as may be necessary to discharge the Corporation's assigned duties. The Corporation may contract with the City of San Benito to provide any or all administrative and operating support for the Corporation.
2. Board shall review and update its overall economic and industrial development plan each year to ensure that said plan is up to date with the current economic climate and is capable of meeting the city's current economic development and industrial needs.
3. The Board shall expend the tax funds received by it in accordance with State Law for "projects" as defined in the Act for direct economic and industrial development so that such expenditures will have a direct benefit to the citizens of San Benito. As used in this article, "direct economic and industrial 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.
4. The Economic Development Corporation shall make periodic reports to the City Commission. This requirement shall be discharged by reporting to the City Commission in the following manner:
- a. The Economic Development Corporation shall make a detailed report to the City Commission once each quarter. Such reports shall include, but not be limited to the following:
    - 1. A review of all revenues and expenditures made by the Board in connection with their activities involving direct economic and industrial development as defined in these Bylaws, together with a report of all other expenditures made by the Board.
    - 2. Review of the specific accomplishments of the Board in the area of direct economic and industrial development.
    - 3. Statement of the policies and strategies followed by the Board in relation to direct economic and industrial development together with any new or proposed changes in said policies and strategies.
    - 4. Identification of long term issues to be addressed during the succeeding twelve-month period or longer period of time, and recommendations to



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resolve such issues with emphasis to be placed on direct economic and industrial development.

- b. The required quarterly reports shall be made to the City Commission no later than at the Commission's second regular meeting in the month following the close of each fiscal quarter.

**Implied Duties**

The Corporation is authorized to do that which the Board deems desirable or necessary to accomplish any of the powers or duties set out or alluded to herein and authorized by the City Commission.

The Corporation may contract with the City of San Benito for any or all administrative and staffing support required by the Corporation. With the express approval of the City Commission, the Corporation may employ such outside contractors and service providers as may be necessary to discharge the Corporation's assigned duties.

**Meetings**

The Board shall meet at least once each month at a place and time to be determined by a majority vote. All meetings of the Board shall be preceded by notice thereof as provided and set forth in V.T.C.A., Gov. Code Sec. 551.001, et seq., as amended. The President, the Economic Development Director, or any two members of Board may request that an item be placed on the agenda by notifying the Economic Development Director at least four days prior to the date of the Board meeting. The Board shall hold regular meetings once a month on such day as the Board may find reasonable and convenient. Meeting times may be changed to accommodate issues and participants, provided proper notice is posted 72 hours in advance of such meeting.

The Board by majority vote may cancel a monthly meeting when low attendance or lack of business is expected, provided not more than one meeting in two consecutive months may be cancelled.

All meetings shall be conducted in accordance with the requirements of the Texas Open Meetings Act.

The annual meeting of the Board shall be held in the month of September of each year.

**Attendance**

Regular attendance at Board meetings is required of all Directors. The following number of absences constitutes grounds for removal and replacement of a Director: missing three (3) consecutive regular meetings, OR absences in 50% or more of the regular meetings over a 12-month period. A board member absent for more than three consecutive meetings may have his absences excused if he/she provides justification (letter from employer, medical excuse, etc.) for their absence and may soon after their absence may maintain regular attendance to the EDC Board of Directors Meetings.

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A Director removed for failure to comply with this attendance requirement may be considered for reinstatement to the Board by the City Commission.

**Quorum**

For the purpose of convening a meeting and transacting business, a quorum shall consist of four (4) Directors. Any action taken by the Board shall require the affirmative vote of a majority of the Directors present.

**Compensation**

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

**Voting of the Board of Directors**

Directors must be present in order to vote at any meeting. In the event that a Director is aware of a conflict of interest with regard to any particular vote, the Director shall file a conflict of interest statement as required by state law, shall bring the same to the attention of the board as required by law and shall abstain from participation in the discussion of the matter and from the vote. Determination of a conflict of interest shall be made in accordance with Chapter 171, Texas Local Government Code.

**Board's Relationship with the City Commission**

In accordance with State law, the City Commission will require that the Corporation be responsible to it for the proper discharge of its duties. All policies, actions, or expenditures of the Corporation shall be submitted to the City Commission for approval, and the Board shall administer the Corporation's programs accordingly. The Board shall determine its policies and direction within the limitations and duties herein imposed by the City Commission, all applicable laws, the Articles of Incorporation, these Bylaws, existing contracts and the Corporation's budget and fiduciary responsibilities.

**Board's Relationship with the Administrative Departments of the City**

Any request from the Corporation to any administrative department of the City of San Benito for services shall be made by the Board or its designee in writing to the City Manager for the City of San Benito. Such requests for assistance from the Board may be approved by the City Manager when such requested services are available within the administrative departments of the City, provided the Board has agreed to reimburse the city for the costs of such services so provided.

The Corporation shall be empowered to hire its own legal counsel or use the services of the City Attorney.



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## **OFFICERS**

### **Officers of the Corporation**

The elected officers of the Corporation shall be a President, Vice-President, and Secretary/Treasurer. Such officers shall have the authority and shall perform the duties of the office as the Board may from time to time prescribe or as the Secretary/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 that of the President.

### **Selection of Officers**

The President, Vice-President and Secretary/Treasurer shall be selected 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, or Secretary/Treasurer, the Board shall select from among its members individuals to hold such office. The term of office of the President and Vice-President and Secretary/Treasurer shall always be for a period of one year; provided, however, that the officer shall continue to serve until the selection of a successor or until reappointment.

Elections shall be held annually at the regular monthly meeting in November or as soon as possible thereafter.

### **Vacancies**

Vacancies in any position on the Board of Directors which occur by reason of death, resignation, disqualification, removal, or otherwise, may be filled in accordance with the City Charter and state statutes for the unexpired portion of the term of that office. Upon the filling of the vacancy on the Board, the Board shall select from among its members individuals to fill any officer position then vacant in the same manner as other officers are elected by the Board.

### **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, upon notice to the Board, to call a special meeting of the Board when in his/her judgment such meeting is required;
4. Shall have the authority to appoint a standing committee to aid and assist the Board in its business undertakings or other matters incidental to the operation and functions of the Board;

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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 Vice President or Secretary of the Board any deed, mortgage, bonds, contracts, or other instruments which the Board 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 as shall be prescribed from time to time by the Board.

**Vice-President**

In 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 the powers 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.

**Secretary/Treasurer**

The Secretary/Treasurer 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/Treasurer 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.

The Secretary/Treasurer shall, in general, perform the duties incident to that office and such other duties as from time to time may be assigned to him /her by the President of the Board He/she shall be co-signer on all checks with the Vice President or President.

**Economic Development Director**

The Corporation shall be assisted with administrative and operating support services by an Economic Development Director who shall be approved by the City Commission. The Economic Development Director shall implement the overall economic and industrial development plan. The Economic Development Director shall report to the Board, shall act as the Board's Chief Administrative Officer, shall assist the Board in carrying out the duties of the Board as set forth in these Bylaws, and shall develop policies and procedures for the Corporation. The Economic Development Director shall be selected by the Board and presented to City Commission for consideration of employment. The Economic Development Director shall be an employee of the Economic Development Corporation. The Economic Development Director shall collaborate with the City Manager regarding activities and projects prior to presentation to the City Commission.

**Contracts for Service**



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The Corporation may, with approval of the City Commission, contract with any qualified and appropriate person or organization for the performance of designated tasks which will aid or assist the Board in the performance of its duties. No such contract shall ever be approved or executed which seeks or attempts to divest the Board of its discretion and policy-making functions in discharging the duties set forth in these Bylaws.

## **FINANCIAL ADMINISTRATION**

### **Fiscal Year**

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

### **Budget**

A budget for the forthcoming fiscal year shall be submitted to, and be approved by, the Board and the City Commission. In submitting the Budget to the City Commission, the Board shall submit the budget on forms prescribed by the City Manager and in accordance with the annual budget preparation schedule as set forth by the City Manager.

The budget shall be submitted to the City Manager for inclusion of it in the annual budget presentation to the City Commission. The budget proposed for adoption shall include the projected operating revenues and expenditures, estimated year end fund balances, encumbered funds and such other information as shall be useful to or appropriate for the Board and the City Commission.

### **Contracts**

As herein provided, the President, Vice President, and the Secretary shall execute any contract 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, including the Economic Development Director of the Corporation, to enter into contracts or execute and deliver any other 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. Any exercise of authority or power hereinabove mentioned shall be subject to approval of the City Commission.

### **Deposits**

All funds of the San Benito Economic Development Corporation, Inc. shall be deposited on a daily basis to the credit of the Corporation in a local bank in the City of San Benito, 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.

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**Gifts**

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

**Purchasing**

All purchasing made and contracts executed by the Corporation shall be made in accordance with the requirements of the Texas Constitution and Statutes of the State of Texas that apply to a development corporation, and shall be subject to approval of the City Commission.

**Check and Drafts**

All checks, drafts or orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Corporation shall require the signature of two of the following officers: the President, Vice President, the Secretary/Treasurer, or the City Secretary.

**Investments of Unobligated and Unappropriated Funds**

Unobligated and unappropriated funds which are not needed for immediate obligations of the Corporation may be invested in any legal manner provided in Texas Government Code, §2256.001 et. seq., as amended ("Public Funds Investment Act").

**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 City Commission after review and comment by the City's bond counsel and financial advisor.

**Uncommitted Funds**

Any uncommitted funds of the Corporation at the end of the fiscal year shall be considered part of the fund balance of the Corporation.

**Dividends**

No dividends shall ever be paid from the Corporation and no part of its net earnings remaining after payment of its expenses shall be distributed to or inure to the benefit of its Directors or Officers or any individual, firm, corporation or association. No part of the Corporation's activities shall be carrying on propaganda, or otherwise attempting to influence legislation, and it shall not participate in or intervene in any political campaign on behalf of or in opposition to any candidate for public office.

**BOOKS AND RECORDS**



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The Corporation shall keep correct and complete books and records of all actions of the Corporation, including books and records of accounting and the minutes of meetings of the Board and of any committee having any authority granted by the Board. All books and records of the Corporation may be inspected by the Board 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 the public inspection at any reasonable time. The Texas Open Records Act and Open Meetings Act shall apply to disclosure of public information. The Board shall either provide for an annual financial audit to be performed by a competent independent audit firm, according to generally accepted accounting principles or shall contract with the City for inclusion in its audit. If audited independently from the City, a copy of such audits shall be delivered to the City Commission upon completion.

### **SEAL**

The Board shall obtain a corporate seal which shall bear the words "Corporate Seal of the Economic Development Corporation". The Board may thereafter use the corporate seal and may later alter this seal as necessary without changing the Corporate name, but these Bylaws shall not be construed to require the use of the corporate seal.

## **PARLIAMENTARY AUTHORITY**

### **Amendments to Bylaws**

Subject to the express approval of the City Commission these Bylaws may be amended or repealed and new Bylaws may be adopted by an affirmative vote of four (4) of the Directors serving on the Board, at a meeting of the Directors held for such specific purpose. The Directors of the Corporation present at the meeting of the Board may, by a vote of four (4), in accord with the requirements herein above, amend and repeal and institute new Bylaws, provided that at least ten (10) days prior to the 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. The amended Bylaws must be submitted promptly to the City Commission for approval.

### **DISSOLUTION**

On petition of ten (10) percent or more of the registered voters of the City of San Benito 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 provisions of the Election Code. The ballot for the election shall be printed to provide for voting for or against the proposition:

'Dissolution of the San Benito Economic Development Corporation'

If a majority of voters voting on the issue approve the dissolution, the Corporation Shall continue operations only as necessary to pay principal of and interest on its bonds and to meet obligations incurred before the date of the election and, to the extent practicable, shall dispose of its assets and apply the proceeds to satisfy those obligations. When the



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last of the obligations is satisfied, any remaining assets of the Corporation shall be transferred to the City of San Benito, and the Corporation is dissolved.

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 distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, to the City of San Benito, the municipality which created said corporation, in accordance with Article 5190.6 of the Texas Revised Civil Statutes, after satisfaction or provision for satisfaction for debts and claims. Any such assets not so disposed of by Judicial District Court or Cameron County, Texas, where the principal office of the corporation is located, exclusively for such purposes or to such organization or organizations as said court shall determine, which are organized and operated exclusively for the purposes defined in Section 501(c) (3) of the Internal Revenue Code and Article 5190.6 of Vernon's Texas Civil Statutes.

**INDEMNITY**

The Board shall authorize the Corporation to pay or reimburse any current or former Director or Officer of the Corporation for any costs, expenditures, fines, settlements, judgments, and other amounts, actually and reasonably incurred by such person in any action, suit, or proceeding to which he/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 he/she be finally adjudicated in such instance to be liable for gross negligence or intentional misconduct in office. The indemnification herein provided shall also be extended to good faith expenditures incurred in anticipation of, or preparation for, threatened or proposed litigation. The Board may, in proper cases, extend the indemnification to cover 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 San Benito, 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 costs arising out of or resulting from the Corporation's activities or the intentional acts or negligence of the Corporation or its officers, agents, or employees, including all causes of action whatsoever, whether based upon common constitutional, or statutory law.

The Corporation further agrees that it shall at all times exercise reasonable care for, and be solely responsible for, the safety of its officers, agents, employees, licensees, invitees, and other persons, as well as their property while on or in the vicinity of Corporation or city property. It is expressly understood and agreed that the City of San Benito shall not be liable or responsible for the negligence of the Corporation, including to its officers, agents, employees, licensees, invitees and other representatives.

It is further agreed with respect to the above indemnity, that the City of San Benito and



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

AMENDED BYLAWS OF THE SAN BENITO ECONOMIC DEVELOPMENT CORPORATION, INC.  
(A NON-PROFIT CORPORATION) SAN BENITO, TEXAS  
AMENDED: APRIL 2019

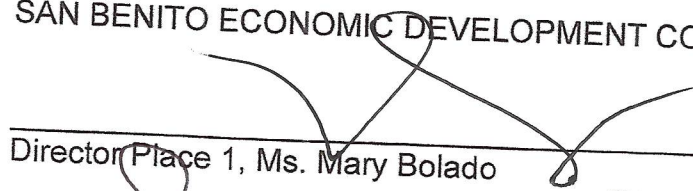
MISCELLANEOUS


Relation to Articles of Incorporation

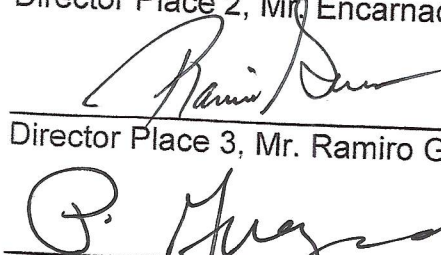
These Bylaws are subject to, and governed by, the Articles of Incorporation and applicable State statutes under which the Corporation is organized.

In WITNESS WHEREOF, we have hereunto set our hands this 7<sup>th</sup> day of May, 2019.


SAN BENITO ECONOMIC DEVELOPMENT CORPORATION, INC.

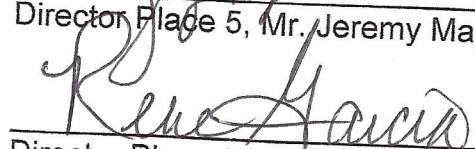
  
Director Place 1, Ms. Mary Bolado

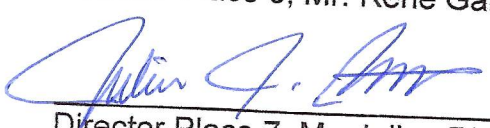
  
Director Place 2, Mr. Encarnacion Lopez, Jr.

  
Director Place 3, Mr. Ramiro Guerra

  
Director Place 4, Ms. Priscilla Guajardo

  
Director Place 5, Mr. Jeremy Maya

  
Director Place 6, Mr. Rene Garcia

  
Director Place 7, Mr. Julian Rios

(Corporation Seal)

