

2. 4a

**BYLAWS
OF
FLORESVILLE 4A CORPORATOIN**

The bylaws shall govern the affairs of the FLORESVILLE 4A CORPORATION (the "Corporation"), a nonprofit corporation organized under Article 5190.6 V.T.C.S., the Development Corporation Act of 1979, as amended, (the "Act").

**ARTICLE I
PURPOSES**

General Purposes

1.01 The Corporation shall act on behalf of the City of Floresville, Texas (the "City") in furtherance of the public purposes of the Act and is established to fund a 4B project, that project being a sports complex/entertainment center/activity center to serve senior activities, conventions and other civic functions pursuant to Section 4B of the Act.

Powers

1.02 The Corporation has all the powers, both expressed and implied, granted to corporations under the Act or under any other law of the State of Texas.

**ARTICLE II
OFFICES**

Principle Office

2.01 The principal office of the Corporation in the State of Texas shall be located at 1120 "D" Street in Floresville, Texas. The Board of Directors may provide for additional offices or change the location of any office.

Registered Office and Agent

2.02 The Corporation shall comply with the requirements of the Act and maintain a registered office and registered agent in Texas. The registered office may, but need not be

identical with the Corporation's principal office in Texas. The Board of Directors may change the registered office and the registered agent as provided in the Act.

ARTICLE III

BOARD OF DIRECTORS

Management of the Corporation

3.01 The affairs of the Corporation shall be managed by a board of directors (the "Board of Directors") which shall be composed in its entirety of persons appointed by, and whose terms of office as stipulated by the Act shall be fixed by, the governing body of the city. The directors may be appointed to a term not to exceed six years.

Number, Qualification and Tenure of the Directors

3.02 The Board shall consist of five (5) members appointed by the governing body of the City for staggered two year terms of office. The directors shall be nominated by each Alderman of the governing body of the City and appointed by a majority vote of the governing body of the City. Each director must reside within the City of Floresville, Texas.

Vacancies

3.03 A vacancy occurring upon the Board shall be filled for the unexpired term by the governing body of the City.

Annual Meeting

3.04 The annual meeting of the Board of Directors shall be held during the month of October of each year. The Board of Directors shall designate the time and location of the annual meeting that shall be held in the principal offices of the Corporation.

Regular Meetings

3.05 The Board of Directors may provide for regular meetings by resolution stating the time and place of such meetings. Such meetings shall be held within the City at the principal office of the Corporation or such other location as the Board of Directors may designate.

Special meetings

3.06 Special meetings of the Board of Directors may be called at the request of the president or any two directors. A person or persons calling the meeting shall fix the time and location of the meeting, which meeting shall be conducted within the City. The person or persons calling a special meeting shall notify the secretary of the Corporation of the information required to be included in the notice of the meeting. In addition to the posting of a meeting notice in accordance with these Bylaws, a copy of each such meeting notice shall be delivered to each director not less than seventy-two hours before the time of the meeting. A meeting notice shall be deemed delivered to any director when deposited in the United States mail addressed to the director at his or her address as it appears on the records of the Corporation. Such additional notice may be waived in writing by a director at any time either before or after the time of the meeting and such additional notice shall be deemed waived by attendance.

Notice of Meeting

3.07 The Board of Directors shall be considered a "governmental body" within the meaning of *Texas Government Code*, Sec. 551.001 and notice of each meeting shall be given in accordance with the provisions of *Texas Government Code*, Chapter 551 (the Texas Open Meeting Acts).

Quorum

3.08 A majority of the directors (three members) shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. The presence of a director may not be established by proxy. No business shall be conducted, nor shall any action be taken by the Board of Directors in the absence of a quorum.

Duties of Directors

3.09 Directors shall exercise ordinary business judgment in managing the affairs of the Corporation. In acting in their official capacity as directors of the Corporation, directors shall act in good faith and take actions they reasonably believe to be in the best interest of the Corporation and which are not unlawful and shall refrain from actions not in the best interest of the

Corporation or which would be unlawful. A director shall not be liable if, in the exercise of ordinary care, the director acts in good faith relying on written financial and legal statements provided by an accountant or attorney retained by the Corporation.

Actions of Board of Directors

3.10 The votes of a majority of the directors present at a meeting at which a quorum is present shall be sufficient to constitute the act of the Board of Directors

Proxy Voting Prohibited

3.11 A director may not vote by proxy.

Removal of Directors

3.12 The Board of Directors and each member thereof serves at the pleasure of the governing body of the City which may remove any director at any time, either with or without cause.

Committees of Directors

3.13 The Board of Directors may by resolution establish one or more special or standing committees of its members. Such committees shall have the powers, duties and responsibilities established by the Board of Directors. The committees shall keep regular minutes of their meetings and report the same to the Board of Directors when required.

Absenteeism

3.14 If a member of the Board of Directors is absent for three consecutive meetings or is absent for more than fifty percent of the meetings in any six-month period, the member's office is considered vacant unless the member is ill or has first obtained a leave of absence before a regular scheduled meeting.

ARTICLE IV

OFFICERS

Officers Positions

4.01 The officers of the Corporation shall be president, vice president, a secretary, and a treasurer. The Board of Directors may create additional officer positions, define the authorities and duties of such additional positions and appoint persons to fill such positions. No person may hold more than one such office. The positions of president, vice president, secretary, and treasurer must be directors of the Corporation.

Election and Terms of Officers

4.02 The officers of the Corporation shall be elected annually by the Board of Directors at the regular annual meeting.

Removal of Officers

4.03 Any officer may be removed by the Board of Directors at any time, with or without cause. The removal of an officer does not result in the removal of such person as a director of the Corporation.

Vacancies

4.04 A vacancy in any office may be filled by the Board of Directors for the unexpired portion of the officer's term.

President

4.05 The president shall be the chief executive officer of the Corporation. The president shall supervise and control all of the business and affairs of the Corporation. The president shall preside at all meetings of the Board of Directors. The president shall execute all documents and agreements affecting the Corporation, except where such power is expressly delegated to another officer of the Corporation. The president shall perform other duties prescribed by the Board of Directors and all duties incidental to the office of the president.

Vice President

4.06 When the President is absent, is unable to act, or refuses to act, the vice president shall perform the duties of the president. When acting in place of the president, the vice president shall have all the powers and duties as the president and be subject to all of the limitations and restrictions placed upon the president.

Secretary

4.07 The secretary shall:

- (a) Give all notices as provided in the bylaws as required by law.
- (b) Take minutes of the meetings of the Board of Directors and keep the minutes as part of the Corporation's records.
- (c) Maintain custody of the corporate records, authenticate corporate documents and affix the seal of the Corporation as required.
- (d) Keep a register or the mailing address of each director and officer of the Corporation.
- (e) Perform duties as assigned by the president or Board of Directors.
- (f) Perform all duties incidental to the office of the secretary.

Treasurer

4.08 The treasurer shall:

- (a) Have charge and custody of and be responsible for all funds and securities of the Corporation.
- (b) Receive and give receipts for money due and payable to the Corporation from any source.
- (c) Deposit all moneys in the name of the Corporation in banks, trust companies, or other depositories as provided by these bylaws.
- (d) Sign checks and disburse funds to discharge obligations of the Corporation. However, all checks shall also be signed by the president, vice-president or treasurer and the Executive Director as the Board of Directors may require.
- (e) Maintain the financial books and records of the Corporation.
- (f) Prepare financial reports at least annually.
- (g) Perform other duties as assigned by the Board of Directors.

(h) Perform all duties incidental to the office of treasurer.

ARTICLE V
TRANSACTIONS OF THE CORPORATION

Contracts

5.01 The Board of Directors may authorize any officer or agent of the Corporation to enter into or execute and deliver any instrument in the name of or on behalf of the Corporation. This authority may be limited to a specific contract or instrument or it may extend to any number and type of possible contracts and instruments.

Depository

5.02 The Board of Directors of the Corporation shall designate one or more Financial institutions to act as a depository bank for the funds of the corporation. All funds of the Corporation shall be deposited with the depository bank or banks.

Potential Conflicts of Interest

5.03 The members of the Board of Directors are local public officials within the meaning of *Texas Government Code* Chapter 171. If a director has a substantial interest (as defined in Chapter 171) in a business entity or real property which is the subject of deliberation by the Board of Directors, the director shall file an affidavit with the secretary of the Corporation stating the nature and extent of the interest. Such affidavit shall be filed prior to any vote or decision upon the matter by the Board of Directors, and the interested director shall abstain from any vote or decision upon the matter.

ARTICLE VI
BOOKS AND RECORDS

Required Books and Records

6.01 The Corporation shall keep correct and complete books and records of account. The Corporation's books and records shall include:

- (a) A file endorsed copy of all documents filed with the Texas Secretary of State relating to the Corporation, including, but not limited to, the Articles of the Incorporation, any Articles of Amendment, Restated Articles, Articles of Merger, Articles of Consolidation and Statement of Change of Registered Office or Agent.
- (b) A copy of the bylaws, and any amended versions or amendments to the bylaws.
- (c) Minutes of the proceedings of the Board of Directors.
- (d) A list of names and addresses of the directors and officers of the Corporation.
- (e) A financial statement showing the assets, liabilities and net worth of the Corporation at the end of the three most recent fiscal years.
- (f) A financial statement showing the income and expenses of the Corporation for the three most recent fiscal years.
- (g) All rulings, letters, and other documents relating to the Corporation's federal, state, and local tax status.
- (h) The Corporation's federal, state and local information or income tax returns for each of the Corporation's three most recent tax years.

Records Open to Public

6.02 The Corporation shall be considered a "governmental body" within the meaning of *Texas Government Code*, Sec. 552.2003 and all records of the Corporation shall be made available to the public for inspection or reproduction in accordance with the requirement of *Texas Government Code*, Chapter 552 (The Texas Open Records Act).

Audits

6.03 The governing body of the City may at any time require an independent audit of the Corporation's books to be conducted.

ARTICLE VII

FISCAL PROVISIONS

Fiscal Year

7.01 The fiscal year of the corporation shall begin on the first day of October and end on the last day of September.

Fee Schedule

7.02 The Board of Directors files with the Texas Department of Commerce a fee schedule and bond procedures as required by state law. The initial fee schedule and bond procedures of the Corporation shall be substantiated in the form attached hereto as Exhibit A.

ARTICLE VIII

AMENDMENTS TO THE BYLAWS

8.01 The bylaws may be altered, amended, or repealed by the governing body of the City or by the Board of Directors with the consent of the governing body of the City.

ARTICLE IX

MISCELLANEOUS PROVISIONS

Legal Authorities Governing Construction of Bylaws

9.01 The bylaws shall be constructed in accordance with the laws of the State of Texas. All references in the bylaws to statutes, regulations, or other sources of legal authority shall refer to the authorities cited, or their successors, as they may be amended from time to time. It is expressly provided that the provisions of the Development Corporation Act of 1979 applicable to corporations governed under Sec. 4A of that Act are incorporated within these bylaws by reference. In the event of any conflict between the applicable provisions of such Act and these bylaws, then the applicable provisions of such Act shall control.

Legal Construction

9.02 If any bylaws provision is held to be invalid, illegal or unenforceable in any respect, the invalidity, illegality or unenforceability shall not affect any other provision and the bylaws shall be constructed as if the invalid, illegal, or unenforceable provision had not been included in the bylaws.

Headings

9.03 The headings used in the bylaws are used for convenience and shall not be considered in construing the terms of the bylaws.

Seal

9.04 The corporate seal shall be circular and shall have inscribed in the outer circle "Floresville 4A Corporation" and shall have inscribed in the inner circle the letters "T-E-X-A-S" and a five-pointed star. Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or otherwise reproduced. The imprint or seal thus authorized is affixed at the end of these Bylaws.

Facsimile Signatures

9.05 The provisions of the Texas Uniform Facsimile Signature of Public Officials Act shall be applicable to the Corporation, which is a duly constituted instrumentality of the City.

Effective Date

9.06 These bylaws and any subsequent amendments hereto shall be effective from the date upon which approval has been given both by the Board of Directors and the governing body of the City.

