THE CITY OF FREEPORT ECONOMIC DEVELOPMENT CORPORATION

BYLAWS

ARTICLE 1

PURPOSE AND POWERS

Section 1.01 - Purpose. The Corporation is incorporated for the purposes set forth in its Articles of Incorporation, the same to be accomplished on behalf of the City of Freeport, Texas (the "City") as its duly constituted authority and instrumentality in accordance with the Texas Development Corporation Act of 1979, as mandated, by the Texas Development Act, Texas Local Government Code Title 12, Section 501 et. seq., as amended (the "Act"), and other applicable laws; for all other purposes allowed by law as permitted by the Development Corporation Act as it now exists or is hereafter amended. The Corporation shall be a non-profit corporation as defined by the Internal Revenue Code of 1986, as amended, and the applicable regulations of the United States Treasury Department and the rulings of the Internal Revenue Service of the United States prescribed and promulgated there under.

Section 1.02 - Power. In the fulfillment of its corporate purpose, the Corporation shall be governed by Section 4B of the Act, and shall have all the powers set forth and conferred in its Articles of Incorporation, in the Act, and in other applicable law, subject to the limitations prescribed therein and herein and to the provisions thereof and hereof.

ARTICLE 2

OFFICES

The principal office of the Freeport Economic Development Corporation (the "Corporation") shall be at the City of Freeport, Texas.

ARTICLE 3

BOARD OF DIRECTORS

Powers, Number and Term of Office.

Section 3.01 The property and affairs of the Corporation shall be managed and controlled by a Board of Directors (the "Board") which shall be composed in its entirety of persons appointed by, and whose terms of office shall be fixed by, the governing body of the City of Freeport, Texas ("the City") and, subject to the restrictions imposed by the law, by the Articles of Incorporation, and by these Bylaws, the Board shall exercise all of the powers of the Corporation and do all lawful acts.

Section 3.02 The Board shall consist of seven (7) directors each of whom shall be appointed by the City Council of the City of Freeport. Such appointment shall be for a term of two years. Board terms shall be staggered such that the terms of three (3) directors shall expire in even years and the terms of four (4) directors shall expire in odd years.

Section 3.03 Any director may be removed from office by the City Council at any time without cause.

Section 3.04 Vacancies in the Board, including vacancies to be filled by reason of an increase in the number of directors, shall be filled for the unexpired term by the appointment of successor directors by the governing body of the City.

Section 3.05 The property and business of the Corporation shall be managed by the Board which may exercise all powers of the Corporation and do all lawful acts

Section 3.06 Directors shall receive no compensation for services as rendered as directors but shall be reimbursed for all reasonable expenses incurred in performing their duties as directors.

Section 3.07 The City Council of the City of Freeport may name a City Council member to serve as the "Council Liaison" with the Freeport Economic Development Corporation. The Council Liaison, and the City Manager of the City of Freeport, or if designated by the City Manager, the Assistant City Manager, shall serve as "ex officio" members of the Board of Directors. Ex officio members shall not be included in the calculation of a quorum, and shall not have any rights of a board member, except the right to attend open board meetings. Such Ex officio members shall attend closed sessions of board meetings unless a majority of a quorum of the Board of Directors attending such closed session votes to exclude them.

Meetings of Directors.

Section 3.08 For meetings of the Board, notice thereof shall be provided as set forth in accordance with the Texas Government Code 551.001. Any member of the Board, officers of the Corporation or Executive Director, may have an item placed on the agenda by delivering the same in writing to the Secretary of the Board or the Executive Director no less than three (3) calendar days prior to the date of the Board meeting. Each agenda of a Board meeting shall contain an item, entitled "Citizens Forum", to allow public comment to be made by the general public concerning Board related matters. However, no official or formal action or vote may be taken on any comment made by citizens during Citizens Forum.

Section 3.09 The board shall hold regular and special meetings, in the corporate limits of the City, at such place or places as the Board may from time to time determine, and in conformance with the Texas Open Meetings Act.

Section 3.10 The annual meeting of the board shall be held on the first regularly scheduled meeting date in June of each year, if not legal holiday and if a legal holiday, then at the next regular business day following, at 6:00 o'clock p.m., or at such time and place as shall be fixed by the consent in writing of all the directors.

Section 3.11 Attendance. Directors must be present in order to vote at any meeting. Regular attendance at Board meetings is required of all directors. The position of any director shall be considered vacant should the director have three (3) consecutive absences from Regular meetings or four (4) absences from Regular meetings in any twelve (12) month period.

Notice and Calling of Meetings.

Section 3.12 Regular meetings, other than the annual meeting, may be held without specific notice to Board members at such time as shall from time to time be determined by resolution of the Board.

Section 3.13 Special meeting**s** of the Board may be called by the President on three days notice to each director, either personally or by mail or by electronic mail; special meetings shall be called by the President, Secretary, or Executive Director in like manner on the written request of two or more directors. The secretary or the Executive Director shall give written notice to each director of each special meeting in person, by email, or facsimile transmission.

Section 3.14 Attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where such director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened. A waiver of notice in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

Section 3.15 All meetings and deliberations of the Board shall be called, convened, held, and conducted, and notice shall be given to the public, in accordance with the Texas Open Meetings Act. Texas Government Code 551.001, et seq.

Section 3.16 - Quorum Attendance by 4 or more regular directors, shall constitute a quorum for the conduct of the official business of the Corporation. Ex officio members shall not be included in the calculation of a quorum. The act of a majority of the directors present at a meeting at which a quorum is in attendance shall constitute the act of the Board and of the Corporation, unless the act of a greater number is required by law. If a quorum shall not be present at any meeting of the directors, the directors' present thereat may recess the meeting for time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 3.17 - Conduct of Business. At the meeting of the Board, matters pertaining to the business of the Corporation shall be considered in accordance with rules of procedures as from time to time prescribed by the Board. At all meetings of the Board, the President of the board shall preside. The secretary of the Corporation shall act as secretary of all meetings of the Board, but in the absence of the secretary, the presiding officer may appoint any person to act as secretary of the meeting.

Section 3.18 - Committees of the Board. The Board may, by resolution or resolutions adopted by a majority vote of a quorum of the Board at a Regular board meeting, establish one or more committees, each committee to consist of not more than three of the directors of the Corporation, and any such other individuals, the Board deems advisable. Such committee or committees shall have such name or names, and such powers, as may be determined from time to time by resolution adopted by the Board of Directors. It is provided, however, that all final, official actions of the Corporation may be exercised only by the Board.

ARTICLE 4

NOTICES

Section 4.01 Whenever under the provisions of the statutes or the Bylaws, notice is required to be given to any director, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, or by electronic mail, addressed to such director at such address as appears on the books of the Corporation, and such notice shall be deemed to be given at the time when the same shall be thus mailed, or sent by electronic mail.

Section 4.02 Whenever any notice is required to be given under the provisions of the statutes or of these Bylaws, a waiver thereof in writing signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

ARTICLE 5

OFFICERS

Section 5.01 The officers of the Corporation shall be chosen by the Board. The board shall choose from its members a President and Vice President. The Board shall also choose a Secretary and a Treasurer who may or may not be members of the Board. Any two or more offices may be held by the same person, except the office of President and Secretary. If a Secretary or Treasurer is not a board member, then they shall not be included as voting members of the Board.

Section 5.02 The Board shall choose such officers at its first meeting and at each annual meeting.

Section 5.03 The officers of the Corporation chose pursuant to Section 4.02 shall serve until the next annual meeting of the Board thereafter or until their successors are chosen and qualified in their stead.

Section 5.04 The Board may appoint such other officers and agents as it shall deem necessary, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined for time to time by the Board.

Section 5.05 Any officer elected or appointed by the Board may be removed at any time by the affirmative vote of a majority of the whole Board. If the office of any officers becomes vacant for any reason, the vacancy shall be filled by the Board.

Section 5.06 Officers shall not receive any salary or compensation for their services, except that they may be reimbursed for their actual expenses incurred in the performance of their official duties as officers.

PRESIDENT

Section 5.07 The president shall be the chief operating executive officer of the Corporation, and, subject to the paramount authority of the Board, the president shall be in general charge of the properties and affairs of the Corporation, and execute all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments in the name of the Corporation. The President shall serve as Chairman of the Board of Directors.

VICE PRESIDENT

Section 5.08 The vice president shall have such powers and duties as may be prescribed by the Board and shall exercise the powers of the president during that officer's absence or inability to act, in their respective order. Any action taken by the vice president in the performance of the duties of the president shall be conclusive evidence of the absence or inability to act of the president at the time such action was taken.

TREASURER

Section 5.09 The treasurer shall be the Chief Fiscal Officer of the Corporation, and shall have the responsibility to see to the handling, custody and security of all funds and securities of the Corporation in accordance with these Bylaws. When necessary or proper, the treasurer may, as set forth herein, endorse and sign, on behalf of the Corporation, for collection or issuance, checks, notes and other obligations in or drawn upon such bank, banks or depositories as shall be designated by the Board consistent with these Bylaws. The treasurer shall see to the entry in the books of the Corporation full and accurate accounts of all moneys received and paid out on account of the Corporation. The treasurer shall, at the expense of the Corporation, given such bond for the faithful discharge of his duties in such form and amount as the Board or the City Council may require.

SECRETARY

Section 5.10 The Secretary attend all meetings of the Board and shall record all votes and keep the minutes of all meetings of the board, shall give and serve all notices, may sign with the president in the name of the Corporation, and/or attest the signature thereto, all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments of Corporation shall have charge of the corporate books, records, documents and instruments, except the books of account and financial records and securities, and such other books on paper as the Board may direct, all of which shall at all reasonable times be open to public inspection upon application at the office of the Corporation during business hours, and shall in general perform all duties incident to the office of secretary subject to the control of the Board.

Section 5.11 Conflict of Interest Conflicts of interest for officers or directors, shall be determined pursuant to Local Government Code 171.001, et seq. As now enacted or hereafter amended or by more stringent rules if so adopted by the board of directors.

ARTICLE 6

FUNCTIONAL CORPORATE DUTIES AND REQUIREMENTS

Section 6.01 No dividends shall ever be paid by 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 (including the publishing or distributing of statements), any political campaign on behalf of or in opposition to any candidate for public office.

Section 6.02 Annual Corporate Budget Prior to the commencement of each fiscal year of the Corporation, the Board shall adopt a proposed budget of expected revenues and proposed expenditures for the next ensuing fiscal year. The budget shall contain such classifications and shall be in such form as may be prescribed from time to time by the City Council.

Books, Records, Audit.

Section 6.03 The Corporation shall keep and properly maintain, in accordance with generally accepted accounting principles, complete books, records, accounts, and financial statements pertaining to its corporate funds, activities, and affairs.

Section 6.04 The books, records, accounts, and financial statements of the Corporation may be maintained for the Corporation by the accountants, staff and personnel of the City.

Section 6.05 The Corporation, shall cause its books, records, accounts, and financial statements to be audited at least once each fiscal year by an outside, independent, auditing and accounting firm selected by the City Council. Such audit shall be at the expense of the Corporation.

Deposit and Investment of Corporate Funds.

Section 6.06 All proceeds from loans or from the issuance of bonds, notes, or other debt instruments ("Obligations") issued by the Corporation shall, be deposited and invested as provided in the resolution, order, indenture, or other documents authorizing or relating to their execution or issuance.

Section 6.07 Subject to the requirements of contracts, loan agreements, indentures or other agreements securing Obligations, all other moneys of the Corporation, if any, shall be deposited, secured, and/or invested in the manner provided for the deposit, security, and/or investment of the public funds of the City.

Section 6.08 The Board shall designate the accounts and depositories to be created and designated for such purposes, and the methods of withdrawal of funds therefrom for use by and for the purposes of the Corporation upon the signature of its treasurer and such other persons as the Board shall designate.

Section 6.09 Bank Accounts All funds of the Company, that are not invested, shall be placed in a bank or financial institution selected by the Board of Directors, and held exclusively in the name of the Corporation.

Section 6.10 Checks All checks or demands for money and notes of the Corporation shall be signed by such office or officers or such other person or persons as the Board may from time to time designate, provided that no event shall a check be negotiable until it is signed by at least one officer.

Section 6.11 Expenditures of Corporate Money The sales and use taxes collected pursuant to Section 4B of the Act and the proceeds from the investment of funds of the Corporation, the proceeds from the sale of property, and the proceeds derived from the sale of obligations, may be expended by the Corporation for any of the purposes authorized by the Act, and to the following limitations:

Expenditures that may be made from a fund created with the proceeds of Obligations, and expenditures of moneys derived from sources other than the proceeds of Obligations may be used for the purpose of financing or otherwise providing one or more "Projects" as defined in Section 4B of the Act;

All other expenditures shall be made in accordance with and shall be set forth in the annual budget required, pursuant to budget amendment or or in contracts meeting the requirements of this Article;

Section 6.12 - Issuance of Obligations By resolution of the Board, the officers of the Corporation may through Bonds, Notes and other forms of debt instruments obligate the Corporation to pay the cost of projects.

Section 6.13 - Contracts for Service The Corporation may contract with any qualified and appropriate person, association, corporation or governmental entity to perform and discharge designated tasks which will aid or assist the Board in the performance of its duties, and for promotional purposes consistent with the purposes, and subject to the limitations, set out in the Development Corporation Act. 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 hereinabove set forth in this section. If advertising for bids for services is required, the Corporation shall comply with all such bidding procedures.

ARTICLE 7

MISCELLANEOUS PROVISIONS

Section 7.01 - Principal Office.
The principal office and the registered office of the Corporation shall be the registered office of the Corporation specified in the Articles of Incorporation.
The Corporation shall have and shall continually designate a registered agent at its registered office,

as required by the Act.

Section 7.02 - Fiscal Year. The fiscal year of the Corporation shall be the same as the fiscal year of the City.

Section 7.03 - Seal. The seal of the Corporation shall be determined by the Board.

Section 7.04 - Resignations. Any directors or offices may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein, or, if no time be specified; at the time of its receipt by the president or secretary. The acceptance of resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

Section 7.05 - Approval or Advice and Consent of the City Council. To the extent that these Bylaws refer to an approval by the City or refer to advice, approval or consent by the Council, such advice, approval or consent shall be evidenced by a certified copy of resolution duly adopted by the City Council.

Section 7.06 - Services of City Staff and Officers. Subject to the approval of the City Council, the Corporation may have the right to utilize the services and the staff and employees of the City, provided (i) that the Corporation shall pay reasonable compensation to the City for such services, and (ii) the performance of such services does not materially interfere with the other duties of such personnel of the City.

Section 7.07 - Executive Director. The Board of Directors may elect to employ an executive director who shall serve at the direction of the Board of Directors with a voice and no vote at meetings of the Board of Directors.

Section 7.08 - Indemnification of Directors, Officers and Employees.

As provided in the Act and in the Articles of Incorporation, the Corporation is, for the purposes of the Texas Tort Claims Act (Subchapter A, Chapter 101, Texas Civil Practices and Remedies Code), a governmental unit and its actions are governmental functions.
The Corporation may indemnify each and every member of the Board, its officers, and its employees, and each member of the City Council and each employee of the City, to the fullest extent permitted by law, against any and all liability or expense, including attorney's fees, incurred by any of such persons by reason of any actions or omissions that may arise out of functions and activities of the Corporation. The attorney for the Corporation is authorized to provide a defense for members of the Board, officers and employees of the Corporation.

Section 7.09 - Severability. It is hereby declared to be the intention of the "Bylaws" that sections, paragraphs, sentences, clauses, phrases of this document are separable, and if any phrase, clause, sentence, paragraph, or section of this incorporation shall be declared unconstitutional or invalid by the valid judgement or decree of any court of competent jurisdiction, such unconstitutional or invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs, or sections of this incorporation, since the same would have been enacted by the Board of Directors without the incorporation of unconstitutional or invalid phrases, clauses, sentences, paragraphs, or sections.

Section 7.10 - Gifts. The Board 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.

ARTICLE 8

EFFECTIVE DATE, AMENDMENTS

Section 8.01 - Effective Date. These Bylaws shall become effective upon the occurrence of the following events: (1) the adoption of these Bylaws by the Board; and (2) the approval of these Bylaws by the City Council.

Section 8.02 - Amendments to Articles of Incorporation and Bylaws. The Articles of Incorporation of the Corporation and these Bylaws may be amended only in the manner provided in the Articles of Incorporation and the Act.

ADOPTED AND APPROVED this 12 day of November, 2019.

Trey Sullivan, President