

**BYLAWS
OF THE
CITY OF LA PORTE
DEVELOPMENT CORPORATION**

These bylaws govern the affairs of the CITY OF LA PORTE DEVELOPMENT CORPORATION (the "Corporation") a nonprofit corporation organized under Article 5190.6, Section 4B, Vernon's Annotated Texas Civil Statutes, as amended (the 'Act').

ARTICLE I

PURPOSES

General Purposes

1.01. The Corporation acts on behalf of the City of La Porte, Texas in furtherance of the public purposes of the Act and may engage in any project authorized under Section 2(10) or Section 4B of the Act.

Powers

1.02. The Corporation has all the powers both express and implied, granted to corporations governed by Sec. 4B of the Act and by the Texas Non-profit Corporation Act.

ARTICLE II

OFFICES

Principal Office

2.01. The principal office of the Corporation in the State of Texas is located at 604 West Fairmont Parkway in La Porte; Harris County; Texas. The Corporation 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 Corporation 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 the Board of Directors.

Number, Qualifications and Tenure of Directors

3.02. The Board of Directors shall consist of seven members appointed by the City Council of the City of La Porte, Texas, for staggered two year terms of office. Not less than three (3) directors shall be persons who are not employees, officers or members of the governing body of the City of La Porte, Texas. Each director must reside within the City of La Porte, Texas.

The Board of Directors shall appoint a President and Vice-President by October 1 of each year. The President shall be the presiding officer for meetings and the Vice-President shall act in the President's absence.

Vacancies

3.03. A vacancy occurring upon the Board of Directors shall be filled for the unexpired term by appointment by the City Council of the City of La Porte, Texas.

Annual Meeting

3.04. The annual meeting of the Board of Directors shall be held during the month of March of each year. The Board of Directors shall designate the time and location of the annual meeting.

Regular Meetings

3.05. The Board of Directors may provide for regular meetings by resolution stating the time and place of such meetings. The meeting shall be held within the City of La Porte, Texas, at a location designated by the Board of Directors.

Special Meetings

3.06. Special meetings of the Board of Directors may be held at the request of the President or any three Directors. A person or persons calling the meeting shall fix the time and location of the meeting.

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 Meetings

3.07. The Corporation 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 Meetings Act).

Quorum

3.08. Four (4) Directors 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 interests 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.

Duties of President

3.10. 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. When the execution of any contract or instrument shall have been authorized by the Board of Directors, the president shall execute same 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 incident to the office of president.

Actions of Board of Directors

3.11. The Board of Directors shall try to act by consensus. However, the vote of a majority of 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

3.12. A director may not vote by proxy.

Removal of Directors

3.13. The Board of Directors and each member thereof serves at the pleasure of the City Council of the City of La Porte, Texas, which may remove any director at any time, either with or without cause.

Committees

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

Compensation of Directors

3.15. The directors shall not receive any salary or compensation for their services. Directors may be reimbursed for their actual expenses incurred in the performance of their duties. Travel expenses shall be reimbursed under the City's travel policy.

Attendance

3.16. Regular attendance at the Board meetings is required of all directors. Three (3) consecutive unexcused absences from meetings of the Board shall cause the position to be considered vacant. Four (4) unexcused absences in a twelve (12) month period shall also cause the position to be considered vacant.

Ex-Officio Members

3.17. The City Council may appoint Ex-Officio members to the Board of Directors as it deems appropriate. These representatives shall have the right to take part in any discussion of open meetings, but shall not have the power to vote in the meetings. Ex-Officio members shall serve a term of one calendar year.

ARTICLE IV

OFFICERS

Officer Positions

4.01. The officers of the Corporation shall be a secretary who shall be the City Secretary or Assistant City Secretary of the City of La Porte, Texas and a treasurer who shall be the Finance Director of the City of La Porte, Texas. At the option of the City Council these officers may also serve simultaneously as voting Directors to the Board.

Terms of Officers

4.02. The officers of the Corporation shall serve as long as they are employed by the City of La Porte, Texas

Removal of Officers

4.03. Any officer may be removed by the City Council of the City of La Porte, Texas at any time, with or without good cause.

Vacancies

4.04. A vacancy in any office may be filled by the City Council of the City of La Porte, Texas for the unexpired portion of the officer's term.

Secretary

4.05. The Secretary shall:

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

Treasurer

4.06. The Treasurer shall:

- >Have charge and custody of and be responsible for all funds and securities of the Corporation.

- >Receive and give receipts for moneys due and payable to the Corporation from any source.
- >Deposit all moneys in the name of the Corporation in banks, trust companies, or other depositories as provided by these bylaws.
- >Write checks and disburse funds to discharge obligations of the Corporation.
- >Maintain the financial books and records of the Corporation.
- >Prepare financial reports at least annually.
- >Perform other duties as assigned by the Board of Directors.
- >Prepare an annual budget.
- >Perform all duties incident to the office of treasurer.

Compensation of Officers

4.07. The officers shall not receive any salary or compensation for their services. Officers may be reimbursed for their actual expenses incurred in the performance of their duties. Travel expenses shall be reimbursed under the City's travel policy.

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 a contract 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 Bank

5.02. All funds of the Corporation shall be deposited with the City's depository bank.

Potential Conflicts of Interest

5.03. The members of the Board of Directors are local public officials within the meaning of Texas Local Government Code Chapter 171. If a director has a substantial interest 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.

Council Approval

5.04 The Board of Directors shall obtain prior City Council approval of all real estate acquisitions, real estate leases exceeding one year and/or any other leases exceeding

one year; all bond issues or other debt extending beyond one year; and, contracts, expenditures, or debts over \$15,000.00. The Board of Directors shall have the authority to enter into all other budgeted transactions without prior or additional City Council approval. Notwithstanding the foregoing, the Board of Directors shall have the authority to approve all budgeted Enhancement Grant expenditures for an amount equal to or less than \$25,000, without prior or additional approval of City Council. Amendments to the Corporation's budget must be approved by the City Council.

Purchasing

5.05. Contracts for goods or services entered into by the Corporation and requiring the expenditure of \$50,000.00 or more shall be subject to competitive bidding and/or competitive proposal procedures as established in Chapter 252 of the Texas Local Government Code, for municipal purchasing.

ARTICLE VI

BOOKS AND RECORDS

Required Books and Records

6.01. The Corporation shall maintain:

- ◆ Correct and complete books and records of account.
- ◆ The Corporation's books and records shall include 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 Incorporation, any articles of amendment, restated articles, articles of merger, articles of consolidation, and statement of change of registered office or agent.
- ◆ A copy of the bylaws and any amended versions or amendments to the bylaws.
- ◆ Minutes of the proceedings of the Board of Directors.
- ◆ A list of names and addresses of the directors and officers of the Corporation.
- ◆ A financial statement showing the assets, liabilities, and net worth of the Corporation at the end of the three most recent fiscal years.
- ◆ A financial statement showing the income and expenses of the Corporation for the three most recent fiscal years.
- ◆ All rulings, letters, and other documents relating to the Corporation's federal, state and local tax status.
- ◆ The Corporation's federal, state and local information or income tax returns for each of the Corporation's three most recent tax years.
- ◆ Annual budget which is approved by City Council.

Records Open to Public

6.02. The Corporation shall be considered a "governmental body" within the meaning of the Texas Government Code, Sec. 552.003 and all records of the Corporation shall be made available to the public for inspection or reproduction in accordance with the requirements of the Texas Government Code, Chapter 552 (The Texas open Records Act).

Audits

6.03. The Corporation's books are required to be audited by the City's independent auditor on an annual basis. Cost of the audit will be paid by the Corporation.

ARTICLE VII

PERSONNEL

7.01. Any full-time or part-time personnel positions that the Corporation may establish will be subject to the personnel policies of the City. The City Manager has full authority in personnel matters.

ARTICLE VIII

AMENDMENTS TO BYLAWS

8.01. The bylaws may be altered, amended, or repealed by the affirmative vote of four or more members of the Board of Directors with the consent of the City Council of the City of La Porte, Texas or shall be altered, amended or repealed at the direction of the City Council of the City of La Porte.

ARTICLE IX

MISCELLANEOUS PROVISIONS

Legal Authorities Governing Construction of Bylaws

9.01. The bylaws shall be construed 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 Section 4B 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 bylaw 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 construed as if the invalid, 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 Board of Directors shall provide for a corporate seal. Such seal would consist of two concentric circles containing the words "City of La Porte Development Corporation", and "Texas" in one circle and the "incorporated" together with the date of incorporation of the Corporation in the other circle.

Parties Bound

9.05. The bylaws shall be binding upon and inure to the benefit of the directors, officers and agents of the Corporation and their respective heirs, executors, administrators, legal representatives, successors and assigns except as otherwise provided in the bylaws.

Fiscal Year

9.06. The fiscal year of the Corporation shall begin on the first day of October of each year and end of the last day of September of the following year.

Effective Date

9.07. These bylaws, and any subsequent amendments hereto, shall be effective of and from the date upon which approval has been given by the Board of Directors and the City Council of the City of La Porte, Texas.

Adopted this 9th day of February, 2015.

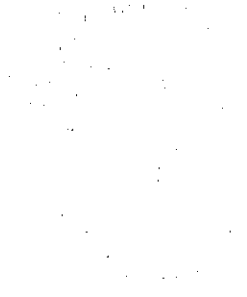


President of the Board

CERTIFICATE OF SECRETARY

I certify that I am the duly appointed and acting secretary of the CITY OF LA PORTE DEVELOPMENT CORPORATION, and the foregoing Bylaws constitute The Bylaws of the Corporation. These Bylaws were duly adopted at a meeting of the Board of Directors held on the 9th day of February, 2015, and approved and ratified by the City Council of the City of La Porte, Texas, at a meeting held on the 9th day of March, 2015.

Signed this 9th day of February, 2015.


Patricia Fogarty
Secretary of the Corporation