



# City of Hutto

## Agenda

**Cottonwood Development Corporation Meeting  
Thursday, November 12, 2020 at 12:00 PM City  
Council Chambers**

In accordance with the Texas Open Meetings Act this meeting agenda is posted for public information, continuously, for at least 72 hours prior to the scheduled time of the meeting on the bulletin board located on the exterior wall of the City Hall building at 500 West Live Oak, Hutto, Texas. This meeting agenda is also accessible via the Internet at [www.huttotx.gov](http://www.huttotx.gov)

Page

1. CALL SESSION TO ORDER

2. ROLL CALL

3. PUBLIC COMMENT

Any citizen wishing to speak during public comment may do so after completing the required registration form. The purpose of this item is to allow the residents of Hutto and other interested persons an opportunity to address the Cottonwood Development Corporation on agenda issues and on non-agenda issues (i.e., City policy or legislative issues). Non-agenda issues regarding daily operational or administrative matters should be first dealt with at the administrative level by calling City Hall at (512) 759-4839 during business hours. Each person providing public comment will be limited to 3 minutes.

Comments for this meeting may also be sent to [comments@huttotx.gov](mailto:comments@huttotx.gov) PRIOR to 4:00 pm on November 11, 2020. The email must include name, address, phone # and email to be recognized properly. Citizens wishing to comment by phone may call:

**Toll Free Call In: 1-800-717-4201**

**Conference ID: 242-3288**

**Once you are in the conference call press \*5 to signal that you are requesting to speak during public comment.**

*[Note: The Texas Open Meetings Act, Texas Government Code, Chapter 551, prohibits advisory boards, commissions and committees created by local governmental bodies from fully discussing, debating, or considering subjects for which public notice has not been given on the agenda. Issues that cannot be referred to the City Staff for action may be placed on the agenda of a future meeting.]*

4. AGENDA ITEMS

4.1. Accept resignation of Chairman Doug Gaul and acknowledge appointment of Director Tanner Rose.

4.2. Consideration and possible action on a Resolution appointing a chairperson to the Cottonwood Development Corporation.

4

[Resolution Cottonwood Chair](#)

- 4.3. Consideration and possible action on a Resolution to establish regular board meetings in accordance with Section 2.3: Regular Meetings of the Bylaws of the Cottonwood Development Corporation. 5 - 6  
[200928 Resolution - Cottonwood Regular Meeting Schedule CW](#)
- 4.4. Consideration and possible action on approving the September 30, 2020 Cottonwood Development Corporation meeting minutes. 7 - 8  
[September 30, 2020 -Meeting Minutes](#)
- 4.5. Consideration and possible action on a Resolution authorizing the filing with the IRS for recognition of exempt status under 501(c) and/or filing for Exemption Certificate with the Texas Comptroller of Public Accounts. 9  
[Resolution Cottonwood IRS Filing](#)
- 4.6. Consideration and possible action on a Resolution ratifying all actions by Dorothy Palumbo and the Bojorquez Law Firm, PC, acting as general counsel or attorneys for the Corporation, and those of Charles Daniels, acting as Interim City Manager for the City of Hutto taken on behalf of the Cottonwood Development Corporation. 10  
[201110 Resolution Cottonwood Ratifying actions of GC](#)
- 4.7. Consideration and possible action on a Resolution approving the amendments to the bylaws of the Cottonwood Development Corporation. 11 - 19  
[200928 Resolution - Cottonwood CW](#)
5. EXECUTIVE SESSION
- 5.1. Deliberate the purchase, exchange, lease, or value of real property located within the Sports, Health & Entertainment District pursuant to Texas Government Code Section 551.072 (Real Property).
- 5.2. Receive legal advice received from its attorneys in accordance with Tex. Gov't Code § 551.071 (1) about pending litigation, to wit: Case 1:20-cv-00978 Preston Hollow Capital, LLC v. Cottonwood Development Corporation, et al; pending in the United States District Court for the Western District of Texas, Austin Division.
6. ACTION RELATIVE TO EXECUTIVE SESSION
- 6.1. Possible action on legal advice received regarding deliberation the purchase, exchange, lease, or value of real property located within the Sports, Health & Entertainment District pursuant to Texas Government Code Section 551.072 (Real Property).
- 6.2. Possible action on legal advice received from its attorneys in accordance with Tex. Gov't Code § 551.071 (1) about pending litigation, to wit: Case 1:20-cv-00978 Preston Hollow Capital, LLC v. Cottonwood Development Corporation, et al; pending in the United States District Court for the Western District of Texas, Austin Division.
7. ADJOURNMENT
8. CERTIFICATION

I certify that this notice of the **November 12, 2020** Cottonwood Development Corporation meeting was posted on the City of Hutto website and the City Hall bulletin board of the City of Hutto on **November 9, 2020** at **10:50 A.M.**



*Holly Nagy*

The City of Hutto is committed to comply with the Americans Disability Act. The Hutto City Council Chamber is wheelchair accessible. Request for reasonable special accommodations must be made 48 hours prior to the meeting. Please email the City Secretary's office at [City.Secretary@huttox.gov](mailto:City.Secretary@huttox.gov) or call (512) 759-4033 for assistance.

**RESOLUTION NO. R-\_\_\_\_\_**

**RESOLUTION OF THE COTTONWOOD DEVELOPMENT CORPORATION APPOINTING A CHAIRPERSON.**

**WHEREAS**, the Cottonwood Development Corporation was created pursuant to Subchapter D of Chapter 431 of the Texas Transportation Code, which authorizes the creation and organization of a local government corporation to assist and act on behalf of the City to accomplish any governmental purpose of the City and to engage in activities in the furtherance of the purposes of its creation; and

**WHEREAS**, Section 3.1 of the Corporation's bylaws provides that a vacancy in any office shall be filled by appointment by a majority vote of the Directors then in office; and

**WHEREAS**, the Board of Directors of the Corporation desires to appoint a Chairperson.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COTTONWOOD DEVELOPMENT CORPORATION, THAT:**

\_\_\_\_\_ is elected Chairperson of the Corporation.

Dated this \_\_th day of November, 2020.

**COTTONWOOD DEVELOPMENT CORPORATION**

\_\_\_\_\_, Chair

**ATTEST:**

\_\_\_\_\_  
Holly Nagy, City Secretary

**RESOLUTION NO. R-\_\_\_\_\_**

**RESOLUTION OF THE COTTONWOOD DEVELOPMENT CORPORATION ESTABLISHING A REGULAR MEETING SCHEDULE IN ACCORDANCE WITH SECTION 2.3 OF THE CORPORATION'S BYLAWS.**

**WHEREAS**, the Cottonwood Development Corporation was created pursuant to Subchapter D of Chapter 431 of the Texas Transportation Code, which authorizes the creation and organization of a local government corporation to assist and act on behalf of the City to accomplish any governmental purpose of the City and to engage in activities in the furtherance of the purposes of its creation; and

**WHEREAS**, Section 2.3 of the Corporation's bylaws provides that Regular meetings of the Board shall be held at such times and places as shall be designated, from time to time, by resolution of the Board; and

**WHEREAS**, the Board of Directors of the Corporation desires to establish a schedule for quarterly meetings in accordance with the Corporation's bylaws.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COTTONWOOD DEVELOPMENT CORPORATION, THAT:**

The Board of Directors shall meet regularly at least quarterly as provided in the Regular Meeting Schedule, attached hereto as Exhibit "A."

Dated this \_\_th day of **November, 2020**.

**COTTONWOOD DEVELOPMENT CORPORATION**

\_\_\_\_\_  
Doug Gaul, Chair

**ATTEST:**

\_\_\_\_\_  
Holly Nagy, City Secretary

**EXHIBIT "A"**

**Regular Meeting Schedule 2020-2021**



# City of Hutto

## MINUTES

### Cottonwood Development Corporation Meeting Wednesday, September 30, 2020 at 6:00 PM City Council Chambers

In accordance with the Texas Open Meetings Act this meeting agenda is posted for public information, continuously, for at least 72 hours prior to the scheduled time of the meeting on the bulletin board located on the exterior wall of the City Hall building at 500 West Live Oak, Hutto, Texas. This meeting agenda is also accessible via the Internet at [www.huttotx.gov](http://www.huttotx.gov)

1. CALL SESSION TO ORDER *-6:00 PM*
2. ROLL CALL

Board members present: Doug Gaul, Chair, Dan Thornton, Vice Chair  
City staff present: Holly Nagy, City Secretary, Dottie Palumbo, City Attorney.

3. PUBLIC COMMENT

*- None*

4. AGENDA ITEMS

- 4.1. Consideration and possible action to approve the July 30, 2020 Cottonwood Development Corporation meeting minutes.

*Board member Thornton made a motion to approve item 4.1, Board member Gaul seconded the motion. The motion passed.*

- 4.2. Consideration and possible action to approve the September 17, 2020 Cottonwood Development Corporation meeting minutes.

*Board member Thornton made a motion to approve item 4.2, Board member Gaul seconded the motion. The motion passed.*

5. EXECUTIVE SESSION *Entered: 6:03 PM*

- 5.1. Receive legal advice from General Counsel in accordance with Tex. Gov't Code § 551.071 (1) about pending litigation, to wit: Case 1:20-cv-00978 Preston Hollow Capital, LLC v. Cottonwood Development Corporation, et al; pending in the United States District Court for the Western District of Texas, Austin Division, consenting to joint representation with the City of Hutto, Texas and entering into a Joint Defense Agreement between Cottonwood Development Corporation and the City of Hutto, Texas in connection with the litigation.

6. ACTION RELATIVE TO EXECUTIVE SESSION *Reconvened: 6:26 PM*

- 6.1. Possible action on legal advice received from General Counsel in accordance with Tex. Gov't Code § 551.071 (1) about pending litigation, to wit: Case 1:20-cv-00978 Preston Hollow Capital, LLC v. Cottonwood Development Corporation, et al; pending in the United States District Court for the Western District of Texas, Austin Division, consenting to joint representation with the

City of Hutto, Texas and entering into a Joint Defense Agreement between Cottonwood Development Corporation and the City of Hutto, Texas in connection with the litigation.

*Board member Thornton made a motion to join into a joint defense agreement between the Cottonwood Development Corporation and the City of Hutto in connection with the litigation and allowing the chairman to execute the agreement. Board member Gaul seconded the motion. The motion passed.*

7. ADJOURNMENT- *6:27 PM*

ATTEST:

\_\_\_\_\_  
Patti Martinez, Secretary

\_\_\_\_\_  
,Chair

**RESOLUTION NO. R-\_\_\_\_\_**

**RESOLUTION OF THE COTTONWOOD DEVELOPMENT CORPORATION AUTHORIZING THE FILING WITH THE IRS FOR RECOGNITION OF EXEMPT STATUS UNDER SECTION 501(C) OF THE INTERNAL REVENUE CODE AND/OR FILING FOR EXEMPTION CERTIFICATE WITH THE TEXAS COMPTROLLER OF PUBLIC ACCOUNTS.**

**WHEREAS**, the Cottonwood Development Corporation was created pursuant to Subchapter D of Chapter 431 of the Texas Transportation Code, which authorizes the creation and organization of a local government corporation to assist and act on behalf of the City to accomplish any governmental purpose of the City and to engage in activities in the furtherance of the purposes of its creation; and

**WHEREAS**, the Board of Directors of the Corporation desires to file with the IRS for recognition of exempt status under Section 501(c) of the Internal Revenue Code and/or file for exemption certificate with the Texas Comptroller of Public Accounts.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COTTONWOOD DEVELOPMENT CORPORATION, THAT:**

The General Counsel of the Corporation or designee is hereby directed and authorized to file with the IRS for recognition of exempt status under Section 501(c) of the Internal Revenue Code and/or file for exemption certificate with the Texas Comptroller of Public Accounts.

Dated this \_\_\_th day of November, 2020.

**COTTONWOOD DEVELOPMENT CORPORATION**

\_\_\_\_\_  
\_\_\_\_\_, Chair

**ATTEST:**

\_\_\_\_\_  
Holly Nagy, City Secretary

**RESOLUTION NO. R-\_\_\_\_\_**

**RESOLUTION OF THE COTTONWOOD DEVELOPMENT CORPORATION RATIFYING ALL ACTIONS BY DOROTHY PALUMBO AND THE BOJORQUEZ LAW FIRM, PC, ACTING AS GENERAL COUNSEL OR ATTORNEYS FOR THE CORPORATION, AND THOSE OF CHARLES DANIELS, ACTING AS INTERIM CITY MANAGER FOR THE CITY OF HUTTO TAKEN ON BEHALF OF THE COTTONWOOD DEVELOPMENT CORPORATION.**

**WHEREAS**, the Cottonwood Development Corporation was created pursuant to Subchapter D of Chapter 431 of the Texas Transportation Code, which authorizes the creation and organization of a local government corporation to assist and act on behalf of the City to accomplish any governmental purpose of the City and to engage in activities in the furtherance of the purposes of its creation; and

**WHEREAS**, the Board of Directors of the Corporation desires to ratify all actions by Dorothy Palumbo and the Bojorquez Law Firm, P.C., acting as general counsel or attorneys for the Corporation, and those of Charles Daniels, acting as Interim City Manager for the City of Hutto taken on behalf of the Cottonwood Development Corporation.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COTTONWOOD DEVELOPMENT CORPORATION, THAT:**

The Board of Directors of the Corporation hereby ratifies and confirms all actions taken or caused to be taken by Dorothy Palumbo and the Bojorquez Law Firm, P.C., acting as general counsel or attorneys for the Corporation, and those of Charles Daniels, acting as Interim City Manager for the City of Hutto taken on behalf of the Cottonwood Development Corporation.

Dated this \_\_\_th day of **November, 2020**.

**COTTONWOOD DEVELOPMENT CORPORATION**

\_\_\_\_\_, Chair

**ATTEST:**

\_\_\_\_\_  
Holly Nagy, City Secretary

**RESOLUTION NO. R-\_\_\_\_\_**

**RESOLUTION OF THE COTTONWOOD DEVELOPMENT CORPORATION APPROVING THE AMENDMENTS TO THE BYLAWS OF THE CORPORATION.**

**WHEREAS**, the Cottonwood Development Corporation was created pursuant to Subchapter D of Chapter 431 of the Texas Transportation Code, which authorizes the creation and organization of a local government corporation to assist and act on behalf of the City to accomplish any governmental purpose of the City and to engage in activities in the furtherance of the purposes of its creation; and

**WHEREAS**, Section 4.2 of the Corporation’s bylaws provides that the bylaws may be amended at any time and from time to time by majority vote of the Directors then in office, but only with approval of the City Council; and

**WHEREAS**, the Board of Directors of the Corporation desires to amend the bylaws to modify the length of the terms of the officers of the Corporation to three (3) years.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COTTONWOOD DEVELOPMENT CORPORATION, THAT:**

The amendments to the bylaws of Cottonwood Development Corporation, attached hereto as Exhibit “A,” are approved.

Dated this \_\_th day of **November, 2020**.

**COTTONWOOD DEVELOPMENT CORPORATION**

\_\_\_\_\_  
Doug Gaul, Chair

**ATTEST:**

\_\_\_\_\_  
Holly Nagy, City Secretary

**EXHIBIT “A”**

**BYLAWS OF THE COTTONWOOD DEVELOPMENT CORPORATION**

Effective \_\_\_\_\_

**Article I: Powers and Purposes**

**Section 1.1: Corporate Identity; Offices.** The name of the corporation is the Cottonwood Development Corporation (the “Corporation”). The principal office of the Corporation shall be at 500 W. Live Oak Street, Hutto, TX 78634. The Corporation may relocate such principal office and have such other offices as the Board of Directors shall determine.

**Section 1.2: Powers, Purposes and Authority.** The Corporation is a public non-profit corporation organized under the laws of the State of Texas for the purpose of aiding, assisting, and acting on behalf of the City of Hutto (the “City”) in the performance of its governmental functions to promote the common good and general welfare of the City.

The Corporation is formed pursuant to the provisions of Subchapter D, Chapter 431, of the Texas Transportation Code (“Chapter 431”) as it now or may hereafter be amended, which authorizes the Corporation to assist and act on behalf of the City to accomplish any governmental purpose of the City and to engage in activities in the furtherance of the purposes for its creation, in the manner specified by Chapter 394 of the Texas Local Government Code, and in conformance with the Texas Nonprofit Corporation Law, Chapter 22 of the Texas Business Organizations Code (the “TNCL”).

The Corporation shall have and exercise all rights, powers, privileges, authority, and functions of every kind and nature whatsoever, both expressed and implied, given by the general laws of the State of Texas to non-profit corporations incorporated under Chapter 431, including, without limitation, the TNCL.

The Corporation shall have all other powers of a like or different nature not prohibited by law which are available to non-profit corporations in Texas and which are necessary or useful to enable the Corporation to perform the purposes for which it is created, including the power to issue bonds, notes or other obligations, and otherwise exercise its borrowing power to accomplish the purposes for which it was created.

The Corporation is created as a local governmental corporation pursuant to Chapter 431 and shall be a governmental unit within the meaning of Subdivision (2), Chapter 101, Texas Civil Practice and Remedies Code. The operations of the Corporation are governmental and not proprietary functions for purposes of the Texas Tort Claims Act, Section 101.001 et seq., Texas Civil Practice and Remedies Code. The Corporation shall have the power to acquire land in accordance with Chapter 431 as amended from time to time.

**Section 1.3: Annual Corporate Budget.** At least sixty (60) days prior to the commencement of each fiscal year of the Corporation, the Board shall adopt a proposed budget of

anticipated revenues and proposed expenditures for the next ensuing fiscal year. The budget shall contain such classifications as shall be in such form as may be prescribed from time to time by the City Manager and/or Council. The budget shall not be effective until same has been approved by the City Council. The Corporation's fiscal year shall start on October 1 and end on September 30th of the following year and may be changed by action of the Board and approval of the City Council.

**Section 1.4: Books and Records: Review of Financial Statements.** The Corporation shall keep correct and complete books and records of all accounts and shall also keep minutes of the proceedings of its Board of Directors and committees having any of the authority of the Board of Directors. All books and records of the Corporation may be inspected by any director or his or her agent or attorney at a reasonable time: and at all times the City Manager and/or City Council of the City (the "City of Hutto") will have access to the books, records and financial statements of the Corporation. At the direction of the City Manager and/or Council, the books, records, accounts and financial statements may be maintained for the Corporation by the staff of the City. In such event, the Corporation shall pay to the City reasonable compensation for such services.

**Section 1.5: Powers in General.** The Corporation may exercise all powers granted under the Act consistent with its Certificate of Formation, these Bylaws and the Resolutions, Orders and Ordinances of the City Council.

## **Article II: Board of Directors**

**Section 2.1: Appointment, Powers, Number and Term of Office.** The Board of Directors shall exercise all of the powers of the Corporation, subject to the restrictions imposed by law, the Certificate of Formation and these Bylaws.

The business and affairs of the Corporation and all corporate powers shall be exercised by or under authority of the Board of Directors (the "Board"), appointed by the Hutto City Council and subject to the applicable limitations imposed by the Act, other applicable legislation and these Bylaws. The Board may, by contract, resolution or otherwise, give general or limited or special powers and authority to the Officers of the Corporation.

The Board may plan and direct its work through the Chairperson who will be charged with the responsibility of carrying out the Corporation's programs as adopted and planned by the Board.

The Board shall consist of three (3) persons who shall each be appointed by the City Council. The term of each directorship will be for three (3) years. All directors must be residents of the City. Those filling vacancies shall serve out the term of those seats.

Any Director, or all Directors, may be removed from office at any time by majority vote of the City Council, for cause or at will. Any vacancy occurring on the Board shall be filled by appointment by majority vote of the City Council.

**Section 2.2: Meetings of Directors in General.** The Board shall meet at least once each year and any member of the Board may request that an item be placed on the agenda by providing same in writing, to the Secretary no later than ten (10) days prior to the date of the Board meeting. The Board may hold its meetings at any place authorized by Chapter 431 and as the Board may

from time to time determine; provided that. In the absence of any such determination by the Board, the meeting shall be held at the principal office of the Corporation, at the City Council Chambers of the City or such other location determined by the Board. The Board shall conduct its meetings in accordance with the requirements of the TNCL and Chapter 431.

**Section 2.3: Regular Meetings.** Regular meetings of the Board shall be held at such times and places as shall be designated, from time to time, by resolution of the Board. Notice of regular meetings need not be given to each of the Directors, but public notice of each meeting shall be given in the manner prescribed by law.

**Section 2.4: Special Meetings.** Special meetings of the Board shall be held whenever called by the Chairperson, by the Secretary or by a majority of the Directors then in office, or upon advice of or by request of the City Council.

The Secretary or his/her designee shall give or cause public notice to be given of each special meeting. Special notice of each special meeting shall also be given to each Director either by mail, telephone, electronically or in person at least two (2) hours before the meeting. Notice required by law to be given to any other person or entity shall be given in the manner prescribed by law. Except as otherwise provided by law or unless otherwise indicated in the notice thereof, any and all matters pertaining to the purposes of the Corporation may be considered and acted upon at a special meeting. At any meeting at which every Director is present, even though without any notice, any matter pertaining to the purposes of the Corporation may be considered and acted upon, except as otherwise provided by law.

**Section 2.5: Quorum.** A majority of the Directors fixed by these Bylaws shall constitute a quorum for the consideration of matters pertaining to the purposes of the Corporation. 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, unless the act of a greater number is required by law. Any member of the Board may request a record vote on any matter to come before the Directors and that record vote will become a part of the minutes.

**Section 2.6: Conduct of Business.** At the meetings of the Board, matters pertaining to the purposes of the Corporation shall be considered in such order from time to time as the Board may determine.

**Section 2.7: Compensation of Directors.** Compensation of Directors. Directors shall not receive any compensation for their services as Directors except that they shall be reimbursed for their actual expenses incurred in the performance of their official duties.

**Section 2.8: Board Committees.** The Board may designate two (2) or more directors to constitute an official committee of the Board to exercise such authority as is delegated and approved by resolution of the Board. It is provided, however, that all final, official actions of the Corporation may be exercised only by the full Board. Each committee so designated shall keep regular minutes of the transactions of its meetings and shall cause such minutes to be recorded in books kept for that purpose in the principal office of the Corporation.

**Section 2.9: Advisory Board.** The Board may appoint an advisory board or boards to assist the Board and perform such other duties as the Board may from time to time assign to the advisory board. An advisory board shall be made up of no more than seven (7) individuals. At the time the Board creates an advisory board, the Board shall adopt rules and regulations regarding membership of the advisory board. The advisory boards may make recommendations to the Board, but all final, official actions of the Corporation shall be exercised only by the Board.

**Section 2.10: Texas Open Meetings Act and Open Records Act.** Meetings of the Board, Board committees, and the advisory board are subject to the Texas Open Meetings Act, Texas Government Code Chapter 551, and the Corporation is subject to the Texas Open Records Act, Texas Government Code Chapter 552.

### **Article III: Officers**

**Section 3.1: Titles and Terms of Office.** The Officers of the Corporation shall be a Chairperson, a Vice Chairperson, a Secretary, and a Treasurer, and such person may hold more than one office, except the Chairperson shall not hold the office of Secretary. The Chairperson and each other Officer of the Corporation shall be appointed by a majority vote of the Directors then in office and shall hold office for a term of [~~two (2) years~~] three (3) years or until his or her successor is elected or appointed.

All Officers shall be subject to removal from office with or without cause at any time by a majority vote of the Directors then in office.

A vacancy in any office shall be filled by appointment by a majority vote of the Directors then in office.

**Section 3.2: Chairperson** The Chairperson shall be the Chief Executive Officer of the Corporation, and, subject to the control of the Board of Directors, the Chairperson shall be in general charge of the properties and affairs of the Corporation. The Chairperson shall preside at all meetings of the Board of Directors in furtherance of the purposes of this Corporation; the Chairperson may sign and execute all contracts, conveyances, franchises, bonds, deeds, assignments, notes and other instruments in the name of the Corporation.

The Chairperson shall have the authority to appoint standing committees to aid and assist the Board in its business undertakings or matters incidental to the operation and functions of the Board. The Chairperson 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.

**Section 3.3: Vice Chairperson.** The Vice Chairperson shall have such powers and duties as may be assigned by the Board of Directors and shall exercise the powers of the Chairperson during the Chairperson's absence or inability to act. Any action taken by the Vice Chairperson in the performance of the duties of the Chairperson shall be with conclusive evidence of the absence or inability of the Chairperson to act at the time such action was taken.

**Section 3.4: Treasurer.** The Treasurer shall have custody of all the funds and securities of the Corporation that come in to his or her hands or shall and otherwise provide for custody. When necessary, or proper, the Treasurer may sign or endorse, on behalf of the Corporation for collection or payment checks, notes and other obligations and shall deposit any funds received to the credit of the Corporation in such bank or banks or depositories as shall be designated by the Board of Directors. Whenever required by the Board of Directors, the Treasurer shall enter or cause to be entered regularly in the books of the Corporation to be kept by the Treasurer for that purpose full and accurate amounts of all monies received and paid out on account of the Corporation. The Treasurer shall perform all acts incident to the position of the Treasurer subject to the control of the Board of Directors.

**Section 3.5: Secretary.** The Secretary shall keep or shall cause to be kept the minutes of all meetings of the Board of Directors, its committees and those of Executive Sessions in books provided for that purpose. The Secretary shall attend to giving and serving notices in furtherance of the corporate purposes. The Secretary may attest or sign with the Chairperson in the Corporation's name, all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments of the Corporation. The Secretary shall have charge of the corporate books, records, and all records of the securities of which the Treasurer shall have custody, and such other books and papers as the Board of Directors may direct, all of which shall during business hours be open to inspection at the office of the Corporation; and the Secretary shall in general perform all duties incident to the office of Secretary subject to the control of the Board of Directors.

In the absence of the Secretary, the Chairperson may appoint any other Board of Director to act as Secretary during such absence.

**Section 3.6: Chief Executive Officer.** The City Manager for the City of Hutto shall serve as the Chief Executive Officer for the Corporation and the Board. The Chief Executive Officer shall carry out all administrative duties as directed by the Board and shall be authorized to sign all agreements and documents approved by the Board.

**Section 3.7: Compensation.** Officers of the Board shall not receive any compensation for their services as Officers except that they may be reimbursed for their actual expenses incurred in the performance of their official duties.

#### **Article IV: Provisions Regarding Bylaws**

**Section 4.1: Effective Date.** These Bylaws shall become effective only upon the occurrence of the following events:

- (1) the adoption of these Bylaws by the Board of Directors; and
- (2) the approval of these Bylaws by the City Council.

**Section 4.2: Amendments to Bylaws.** These Bylaws may be amended at any time and from time to time by majority vote of the Directors then in office, but only with approval of the City Council.

**Section 4.3: Interpretation of Bylaws.** These Bylaws shall be liberally construed to effectuate the purposes set forth herein. If any word, phrase, clause, sentence, paragraph, section or other part of these Bylaws, or the application thereof to a person or circumstance, shall ever be held to be invalid or unconstitutional by any court of competent jurisdiction, the remainder of these Bylaws and the application of such word, phrase, clause, sentence, paragraph, section or other part of these Bylaws to any other person or circumstance shall not be affected thereby.

**Article V: General Provisions**

**Section 5.1: Principal Office.** The current principal office of the Corporation is at shall be at 500 W. Live Oak Street, Hutto, TX 78634. The Corporation may relocate such principal office and have such other offices as the Board shall determine.

**Section 5.2: Seal.** The seal of the Corporation shall be as determined by the Board of Directors. The Board may determine the Corporation will have no seal.

**Section 5.3: Notice and Waiver of Notice.** Whenever any notice whatsoever is required to be given to the Board of Directors under the Act, the Certificate of Formation or these Bylaws, such notices shall be deemed to be sufficient if given by depositing it for mailing in a post office box in a sealed postpaid wrapper addressed to the person entitled thereto at his or her post office address, as it appears on the books of the Corporation, and such notice shall be deemed given on the day of such mailing.

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

Neither the business to be transacted nor the purpose of any regular or special meeting of the Board of Directors need be set forth in any notice to a Director of such meeting unless required by the Board of Directors.

Any notice whatsoever that may be required to be given to the public by law, shall be given in the manner prescribed by law.

**Section 5.4: Resignations.** Any Director or Officer may resign at any time. Any 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 Chairperson or the Secretary. Absent a written notice of the resignation, the City Council of the City shall cause a notice of the resignation to be provided. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation. Notwithstanding the effective date, a resigning Director shall serve until such time as her or her successor takes office.

**Section 5.5: Approval of the City Council.** To the extent these Bylaws refer to any approval or action to be taken by the City, such shall be evidenced by a certified copy of a Resolution, Ordinance, Order or Motion duly adopted by the City Council.

**Section 5.6: Organizational Control.** The City Council may, at its sole discretion and at any time, alter or change the structure, organization or activities of the Corporation (including the termination of the Corporation), subject to the Act and any limitation on the impairment of contracts. The Corporation shall comply with all financial and administrative ordinances and policies of the City.

**Section 5.7: Dissolution of the Corporation.** Upon dissolution of the Corporation, title to or other interest in any real or personal property then owned by the Corporation shall vest in the City except and unless as authorized by the City Council.

**Section 5.8: Staff and organizational management.** Staffing of the Corporation shall be provided by the City of Hutto and the City Manager and Chairperson shall work together to ensure that the Chief Executive Officer of the Corporation and/or subsequent City departmental staff fully implement the policies of the Board of Directors. The Corporation shall utilize the staff and employees of the City for the provision of all support services required by the Corporation. The Corporation shall pay compensation to the City for such services. The performance of City staff of services for the Corporation shall not materially interfere with the other duties of such staff, provided that in the performance of services for the Corporation, such staff shall answer to the Corporation, under direction of the City Manager.

**Section 5.9: Indemnification.** The Corporation shall indemnify any current or former director, officer, or employee of the Corporation, or any person who may have served at the Corporation's request as a director, officer, or employee of another corporation or entity in which it owns shares of stock or other ownership interest or of which it is a creditor, against expenses actually and necessarily incurred by such person and any amount paid in satisfaction of judgments in connection with any action, suit, or proceeding, whether civil, criminal, arbitral, or investigative in nature, in which such person was, is, or is threatened to be made a named defendant or respondent by reason of being or having been such a director, officer, or employee (whether or not the person is or was such at the time such costs or expenses are incurred by or imposed upon such person) as is required by Section 8.051 of the Texas Business Organizations Code ("TBOC"). The Corporation may indemnify any such person against and for any such expenses or costs and may advance expenses to any such person as is permitted by and according to the terms of Section 8.101 of the TBOC.

**Section 5.10: Insurance.** The Corporation may at the discretion of the Board of Directors purchase and maintain insurance on behalf of the Corporation and any person whom it has the power to indemnify pursuant to law, the Certificate of Formation, these Bylaws or otherwise, including without limitation directors and officers liability insurance.

These Bylaws were adopted at a duly called meeting of the Board of Directors of the Corporation held on \_\_\_\_\_, 20\_\_ . These Bylaws shall become effective upon the date of their approval by resolution of the City Council of the City of Hutto, Texas.

By: \_\_\_\_\_  
Patti Turner, Secretary  
Cottonwood Development Corporation

Adopted and approved this \_\_\_\_\_.

**THE CITY OF HUTTO, TEXAS**

By: \_\_\_\_\_  
Doug Gaul, Mayor