COTTONWOOD DEVELOPMENT CORPORATION
BOARD OF DIRECTORS MEETING
SUNDAY, JULY 21, 2019 – 11:00AM

CITY HALL – CITY COUNCIL CHAMBERS
500 W. LIVE OAK STREET

BOARD OF DIRECTORS

Doug Gaul, Chair
Tom Hines, Vice-Chair
Patti Turner, Secretary/Treasurer

AMENDA AGENDA

1. **CALL SESSION TO ORDER**

2. **ROLL CALL**

3. **AGENDA ITEMS:**

3A. Consideration and approval of certificate of formation filed with the Secretary of State.

3B. Consideration and approval of organizational minutes organizing the Cottonwood Development Corporation and enabling the Corporation to conduct business.

3C. Consideration and approval of bylaws for the Corporation.

3D. Consideration and approval of loan and granting deed of trust lien on property owned by Corporation or alternatively sale of Corporation property to a potential developer for the Perfect Game project.

3E. Consideration and approval of such other business to come before the Corporation including need for future meetings.

4. **ADJOURNMENT**

CERTIFICATION

I certify that this notice of the July 21, 2019, Meeting of the Board of Directors of the Cottonwood Development Corporation was posted on the City Hall bulletin board of the City of Hutto on July 17th, 2019 at 5:45 PM

Lacie Hale

Lacie Hale, City Secretary

The City of Hutto is committed to comply with the American with Disabilities Act. The City Hall Council Chambers is wheelchair accessible. Request for reasonable special communications or accommodations must be made 48 hours prior to the meeting. Please contact the City Secretary at (512) 759-4033 or lacie.hale@huttotx.gov for assistance.

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697

ITEM 3A

Jose A. Esparza
Deputy Secretary of State

Office of the Secretary of State

June 27, 2019

McGinnis Lochridge LLP
600 Congress Avenue, Suite 2100
Austin, TX 78701 USA

RE: Cottonwood Development Corporation
File Number: 803354761

It has been our pleasure to file the certificate of formation and issue the enclosed certificate of filing evidencing the existence of the newly created nonprofit corporation.

Nonprofit corporations do not automatically qualify for an exemption from federal and state taxes. Shortly, the Comptroller of Public Accounts will be contacting the corporation at its registered office for information that will assist the Comptroller in setting up the franchise tax account for the corporation. Information about franchise tax, and contact information for the Comptroller's office, is available on their web site at https://window.state.tx.us/taxinfo/franchise/index.html. For information on state tax exemption, including applications and publications, visit the Comptroller's Exempt Organizations web site at https://window.state.tx.us/taxinfo/exempt/index.html. Information on exemption from federal taxes is available from the Internal Revenue Service web site at https://www.irs.gov.

Nonprofit corporations do not file annual reports with the Secretary of State, but do file a report not more often than once every four years as requested by the Secretary. It is important for the corporation to continuously maintain a registered agent and office in Texas as this is the address to which the Secretary of State will send a request to file a periodic report. Failure to maintain a registered agent or office in Texas, failure to file a change to the agent or office information, or failure to file a report when requested may result in the involuntary termination of the corporation. Additionally, a nonprofit corporation will file documents with the Secretary of State if the corporation needs to amend one of the provisions in its certificate of formation. If we can be of further service at any time, please let us know.

Sincerely,

Corporations Section
Business & Public Filings Division
(512) 463-5555
Enclosure

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697

Jose A. Esparza
Deputy Secretary of State

Office of the Secretary of State

CERTIFICATE OF FILING
OF

Cottonwood Development Corporation
File Number: 803354761

The undersigned, as Deputy Secretary of State of Texas, hereby certifies that a Certificate of Formation for the above named Domestic Nonprofit Corporation has been received in this office and has been found to conform to the applicable provisions of law.

ACCORDINGLY, the undersigned, as Deputy Secretary of State, and by virtue of the authority vested in the secretary by law, hereby issues this certificate evidencing filing effective on the date shown below.

The issuance of this certificate does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

Dated: 06/24/2019

Effective: 06/24/2019

Jose A. Esparza
Deputy Secretary of State

FILED
In the Office of the
Secretary of State of Texas

JUN 24 2019

Corporations Section

CERTIFICATE OF FORMATION
OF THE
COTTONWOOD DEVELOPMENT CORPORATION

The undersigned natural persons, each of whom is at least eighteen (18) years of age or more, a majority of which are residents and qualified voters of the City of Hutto, Texas (the "City") and a citizen of the State of Texas, acting as incorporators of a corporation under the provisions of Subchapter D, Chapter 431, Texas Transportation Code ("Chapter 431"), and the Texas Nonprofit Corporation Law, Chapter 22, Business Organizations Code (the "TNCL"), do hereby adopt the following Certificate of Formation for such corporation:

ARTICLE I
ENTITY NAME

The name of the filing entity being formed is the Cottonwood Development Corporation (the "Corporation").

ARTICLE II
TYPE OF ENTITY; DURATION

The Corporation is being formed as a public non-profit corporation. It is a non-stock corporation. The duration is perpetual.

ARTICLE III
PURPOSE

The Corporation is created pursuant to the provisions of Chapter 431, as it 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 of its creation. The Corporation shall, subject only to the limitations provided in Chapter 431, have all the rights, powers, privileges, authority, functions and duties of a corporation created under Chapter 431.

The Corporation is organized exclusively for the purpose of benefiting the City by use of the powers granted to the Corporation under Chapter 431, including, without limitation, by aiding, assisting and acting on behalf of the City to promote the common good and general welfare of the City. The Corporation may spend money, incur debt, finance, issue bonds, develop, assist and undertake promotions, programs and projects that are consistent with the purposes and duties provided in applicable law.

The Corporation is created as a local government corporation pursuant to Chapter 431 and shall be a governmental unit within the meaning of Subdivision (2), Section 101.001, 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, subject to the approval of the City.

ARTICLE IV
MEMBERSHIP

The Corporation shall have no members.

ARTICLE V
REGISTERED OFFICE AND AGENT

The street address of the initial registered office of the Corporation is 500 W. Live Oak Street, Hutto, Texas 78634, which is within the city limits of the City, and the name of its initial registered agent at such address is Odis Jones, Hutto City Manager.

ARTICLE VI
BOARD OF DIRECTORS

The management of the affairs of the Corporation is be vested in a Board of Directors, which shall consist of three (3) persons, appointed by the governing body of the City. Each of such directors shall serve three-year terms and shall serve at the pleasure of the governing body of the City. The initial members of the Board of Directors are, and a majority of all future directors must be, residents of the City. The names and mailing addresses of the initial Board of Directors are:

Doug Gaul
500 W. Live Oak Street
Hutto, Texas 78634

Tom Hines
500 W. Live Oak Street
Hutto, Texas 78634

Patti Turner
500 W. Live Oak Street
Hutto, Texas 78634

All other matters pertaining to the internal affairs of the Corporation shall be governed by the Bylaws of the Corporation, so long as such Bylaws are not inconsistent with this Certificate of Formation or the laws of the State of Texas.

ARTICLE VII
INCORPORATORS

The names and addresses of the incorporators are:

Doug Gaul
500 W. Live Oak Street
Hutto, Texas 78634

Patti Turner
500 W. Live Oak Street
Hutto, Texas 78634

Tom Hines
500 W. Live Oak Street
Hutto, Texas 78634

All incorporators are residents of the City and are at least eighteen (18) years of age.

ARTICLE VIII
NONPROFIT NATURE OF CORPORATION

No dividends shall ever be paid by the Corporation and no part of its net income or earnings shall inure to the benefit or be distributable to any Director, Officer or other private person, except for the retirement of indebtedness and for the purposes authorized by Chapter 431; provided that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes as set forth in this Certificate; and provided that, in the event the Board of Directors of the Corporation shall determine that sufficient provision has been made for the full payment of the expenses, bonds and other obligations of the Corporation issued to finance its public purposes, then, in that event, any net earnings of the Corporation thereafter accruing may be paid to the City. No substantial part of the activities of the Corporation shall consist of attempting to influence legislation nor shall the Corporation participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Nor shall the Corporation engage in any activities that are unlawful under applicable federal, state or local laws.

ARTICLE IX
NONDISCRIMINATION

The Corporation shall not discriminate against any person because of race, creed, color, nationality, sex or place of origin.

ARTICLE X
APPROVAL BY CITY

The formation of the Corporation is necessary as a part of the development of the Perfect Game Project for the benefit of the City of Hutto, Texas. The governing body of the City has, by resolution, specifically authorized the City Manager of the City of Hutto, Texas to negotiate and execute all issues relating to the Perfect Game Project..

ARTICLE XI
DISSOLUTION

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.

ARTICLE XII
AMENDMENT

This Certificate for Formation may not be amended or changed unless approved by the governing body of the City.

DATED this 20th day of June, 2019.

By: Doug Gaul
Doug Gaul

By:
Tom Hines

By:
Patti Turner

ORGANIZATION OF THE BOARD OF DIRECTORS OF COTTONWOOD DEVELOPMENT CORPORATION

Pursuant to the authority contained in Article 9.10 of the Texas Non-Profit Corporation Act, the undersigned, constituting all of the directors of Cottonwood Development Corporation, a Texas corporation (herein called the "Corporation") as set forth in the Corporation's Certificate of Formation, do hereby adopt the following resolutions to organize the Board of Directors of the Corporation and direct the Secretary of the Corporation to place the same in the corporate records book of the Corporation:

1. Certificate of Formation.

RESOLVED, that the duplicate original of the Certificate of Formation as filed in the office of the Secretary of State of Texas and the Certificate of Formation be inserted in the corporate records book of the Corporation.

2. Corporate Records.

RESOLVED, that the Corporation shall maintain, as part of its corporate records, a book entitled "Corporate Records Book" which shall include, but which shall not be limited to, a record of its Certificate of Formation and amendments thereto, its bylaws and amendments thereto, minutes of all meetings of its members and directors with the time and place of holding, whether regular or special, and, if special, how authorized, the notice thereof given, the names of the Directors present at Directors' meetings, the members present or represented at Members' meetings and the proceedings thereof; and

RESOLVED FURTHER, that the Secretary of the Corporation is directed to procure such a corporate records book and such other books and records as may be required by the Corporation.

3. Bylaws.

RESOLVED, that the Bylaws dated as of ____________________, 2019 having been presented to and considered by the undersigned are adopted as the Bylaws of the Corporation and the Secretary of the Corporation is further ordered to certify a copy of such Bylaws and insert them in the corporate records book of the Corporation; the Secretary is further ordered to certify a copy of such Bylaws and maintain them in the principal office of the Corporation for the transaction of its business or such other place as the Secretary shall direct, open for inspection by the shareholders at all reasonable times during office hours.

4. Seal.

RESOLVED, that the Corporation shall not have a corporate seal.

5. Principal Office.

RESOLVED, that the principal office of the Corporation shall be established and maintained at City Hall, 500 W. Live Oak Street, City of Hutto, Texas 78634.

6. Officers.

RESOLVED, that the officers of the Corporation are hereby authorized, directed and empowered to execute all documents and take all such action as they may deem necessary or advisable in order to carry out and perform the purposes of these resolutions.

7. Bank Account.

Bank Account for this Corporation shall be maintained by the City of Hutto.

8. Licenses and Permits.

RESOLVED, that the officers of the Corporation are authorized and directed to obtain in the name of the Corporation such licenses and permits as may be required for the conduct of the business of the Corporation by any federal, state, county or municipal governmental statute, ordinance or regulation, and to do all things necessary or convenient to qualify the Corporation to transact its business in compliance with the laws and regulations of any appropriate federal, state or municipal government.

9. Fiscal Year.

RESOLVED, that the fiscal year of the Corporation shall commence on October 1.

10. Ratification.

RESOLVED, all actions and undertakings of the directors and officers of the Corporation carried out prior to this Organization are hereby fully ratified and approved as the valid and authorized acts of the Corporation with the same force and effect as if such acts had been undertaken following the execution hereof.

11. Officers.

Doug Gaul is elected Chairperson of the Corporation.

Tom Hines is elected Vice Chairperson of the Corporation.

Patti Turner is elected Secretary/Treasurer of the Corporation.

12. Compliance with the Open Meetings and Open Records Acts.

The Corporation shall comply with the Texas Open Meetings and Open Records Acts.

13. Adoption.

These resolutions were adopted by the Board of Directors of the Corporation at a public meeting at the Offices of the Corporation after first giving public notice of the time, date, place and subject of the meeting for a least seventy-two (72) hours as required by the Texas Open Meetings Act.

DATED as of ____________________, 2019.

____
Doug Gaul, Director

____
Tom Hines, Director

____
Patti Turner, Director

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 fo 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 an 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 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: **<u>Secretary</u>**. 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: **<u>Chief Executive Officer</u>**. 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: **<u>Compensation</u>**. 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: <u>Provisions Regarding Bylaws</u>

Section 4.1: **<u>Effective Date</u>**. 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: **<u>Amendments to Bylaws</u>**. 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: **<u>Interpretation of Bylaws</u>**. 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: **<u>Dissolution of the Corporation</u>**. 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: **<u>Staff and organizational management</u>**. 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: **<u>Indemnification</u>**. 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, arbitrative, 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: **<u>Insurance</u>**. 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