VSTDC Resolution No. 2013- __ TX

A resolution of the Board of Directors of the Victoria Sales Tax Development Corporation (VSTDC) to approve and adopt the Amended and Restated Bylaws; and declaring an effective date.

Whereas on March 19, 1996, the City Council of the City approved the initial bylaws ("the Bylaws") of the Corporation as required by the Act; and

Whereas the Board of Directors of the Corporation (the "Board of Directors") hereby finds it in the best interest of the Corporation to amend and restate the Bylaws to reflect changes in State Law and organization needs.

Therefore, it is resolved by the Board of Directors of the Victoria Sales Tax Development Corporation that:

1. The Board of Directors hereby finds that the statements set forth in the recitals of this resolution are true and correct, and the Board of Directors hereby incorporates such recitals as a part of this resolution.

2. The Board of Directors of the Corporation hereby approves amendments to the Bylaws and adopts the amended and restated Bylaws attached hereto as Exhibit "A", contingent upon subsequent consent and approval by the City Council of the City of Victoria, Texas, with such changes in form as may be approved by the Attorney for VSTDC.

3. This resolution shall take effect immediately upon approval of the City Council of the City of Victoria, Texas.

4. This amendment will be implemented proactively, and will be interpreted as if Board members are each currently filling a vacancy for a partial term under Section 3.02 and as if the partial term has less than 12 months remaining.

Passed, this the 7th day of May, 2013
Ayes: 6
Nays: 0
Abstentions: 0
Approved and adopted, this the 7th day of May, 2013

[Signatures]

Lewis Neitsch, President of the Victoria Sales Tax Development Corporation

Attest:

Searlje Swoboda,
Secretary

[Seal]

Approved as to form:

Thomas A. Gwosdz,
Attorney for VSTDC

Page 1 of 1
Amended and Restated Bylaws
of
Victoria Sales Tax Development Corporation
of
The City of Victoria

These Bylaws govern the affairs of the Victoria Sales Tax Development Corporation (the "Corporation"), a nonprofit corporation organized under Article 5190.6 V.A.T.C.S., the Development Corporation Act of 1979 and governed by the Development Corporation Act, Tex. Local Gov't Code §§ 501.001 et seq (the "Act").

Article 1
Purposes

1.01. General Purposes. The Corporation acts on behalf of the City of Victoria, Texas, ("City"), in furtherance of the public purposes of the Act and may engage in any project authorized for a Type B Corporation under the Act. In limitation hereof, the Corporation may not engage in any project other than those listed below, unless the City Council of the City of Victoria approves such project:

   a. Projects to plan, design, build, renovate, acquire, provide and maintain streets and/or roads and related improvements. Related improvements would include, but not be limited to, curbs and gutters, sidewalks, traffic signals and street lights.

   b. Projects to plan, design, acquire, build, renovate, and maintain drainage and/or related improvements.

   c. Projects to plan, design, acquire, build, renovate and maintain water and/or sewer facilities and related improvements. This is meant to include, but not be limited to, water and sewer lines, water pump stations, and/or sewer lift stations.

   d. Projects to plan, design, acquire, build, renovate and/or maintain public safety facilities and related improvements. Public safety as used herein refers to Police and Fire Department facilities.

   e. Projects to plan, design, acquire, build, renovate, and/or maintain parks and recreational facilities and related improvements. This is meant to include, but not be limited to, Community Center facilities.

   f. Projects to encourage the growth of the business tax base and/or job growth within Victoria's jurisdiction.

   g. Any land, building, equipment, improvements to existing facilities, development costs, and/or maintenance costs associated with projects described in (a) through (f) above.

1.02. Powers. The Corporation has all the powers, both express and implied, granted to Type B Corporations under the Act.

Article 2
Offices

2.01. Principal Office. The principal office of the Corporation in the State of Texas is located at 105 W. Juan Linn, in Victoria, Texas. The Board of Directors may provide for additional offices or change the location of any office.
2.02. **Registered Office and Agent.** The Corporation shall comply with the requirements of the Act and maintain a registered office and registered agent in Texas. The registered office may, but need not, be identical with the Corporation's principal office in Texas. The Board of Directors may change the registered office and the registered agent as provided in the Act.

**Article 3**

**Board of Directors**

3.01. **Management of the Corporation.** The affairs of the Corporation shall be managed by the Board of Directors.

3.02. **Number, Qualifications and Tenure of Directors.** The Board of Directors shall consist of seven members appointed by the City Council of the City of Victoria, Texas, for staggered two year terms of office. Four (4) directors shall be persons who are not employees, officers or members of the governing body of the City of Victoria, Texas. Three (3) directors shall be members of the governing body of the City, one of whom shall be the Mayor. The terms of four (4) directors shall begin on January 1 of each even numbered year and expire on December 31 of the next following odd numbered year. The terms of three (3) directors shall begin on January 1 of each odd numbered year and expire on December 31 of the next following even numbered year. Each director must reside within the City of Victoria, Texas. Other than the Mayor, who shall serve for the duration of his term as Mayor, directors may not serve more than three consecutive terms. Former directors will be eligible to serve again after abstaining a minimum of one year from the date of their term's expiration. Any director originally appointed to fill a vacancy for a partial term may serve three full additional terms if the vacant position had less than 12 months remaining at the time of the former director's resignation.

3.03. **Vacancies.** A vacancy occurring upon the Board of Directors shall be filled for the unexpired term by the City Council of the City of Victoria.

3.04. **Annual Meeting.** The first meeting of the calendar year shall be the annual meeting of the Board of Directors shall meet annually. The meeting shall be held within the City of Victoria, Texas, at the principal offices of the corporation or at such other location as the President of the Board of Directors may designate at least 10 days prior to the meeting.

3.05. **Regular Meetings.** The Board of Directors may provide for regular meetings by resolution stating the time and place of such meetings. Regular meetings shall be held between the hours of 8:00 a.m. and 5:00 p.m. on weekdays.

3.06. **Special Meetings.** Special meetings of the Board of Directors may be called at the request of the President or any two directors. The person or persons calling the meeting shall fix the time and location of the meeting, which meeting shall be conducted within the City of Victoria, Texas. The person or persons calling a special meeting shall notify the President who 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.

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

3.09. **Duties of Directors.** 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.

3.10. **Actions of Board of Directors.** 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.

3.11. **Proxy Voting Prohibited.** A director may not vote by proxy.

3.12. **Directors' Terms and Attendance Requirements.** The Board of Directors and each member thereof serves at the pleasure of the City Council of the City of Victoria, Texas. If a director misses two or more consecutive regular meetings or four or more regular meetings, in total, in a twelve month period, unless for health reasons, the City Council may remove and replace that director.

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

3.14. **Consideration of Items by Board of Directors.** The Board of Directors shall consider each matter requested by any director, the City Manager of the City of Victoria, or any person authorized by the City Councilor City Manager to present a project for consideration on behalf of the City of Victoria.

3.15. The City Manager will be responsible for preparation of all Board Meeting agendas and coordination of the posting of such agendas with the Secretary of the Corporation.

---

**Article 4**

**Officers**

4.01. **Officer Positions.** The officers of the Corporation shall be a president, a vice president, a secretary, and a treasurer. The Board of Directors may create additional officer positions, define the authorities and duties of such additional positions and appoint persons to fill such positions. Any officer mayor may not also be a member of the Board of Directors.

4.02. **Election and Terms of Officers.** The officers of the Corporation shall be elected annually by the Board of Directors at the regular annual meeting.

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

4.04. **Vacancies.** A vacancy in any officer position may be filled by the Board of Directors for the unexpired portion of the officer's term.
4.05. **President.** The president shall be the chief executive officer of the Corporation. The president shall supervise and control all of the business and affairs of the Corporation. The president shall preside at all meetings of Board of Directors. 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.

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

4.07. **Secretary.** The Secretary shall:
   a. Be the person who is or is acting on behalf of the City Secretary for the City of Victoria.
   b. Give all notices as provided in the bylaws or as required by law.
   c. Take minutes of the meetings of the Board of Directors and keep the minutes as part of the corporate records.
   d. Maintain custody of the corporate records, authenticate corporate documents and affix the seal of the Corporation as required.
   e. Keep a register of the mailing address of each director and officer of the Corporation.
   f. Perform all duties incident to the office of Secretary.

4.08. **Treasurer.** The Treasurer shall:
   a. Be the person who is or is acting on behalf of the Director of Finance of the City of Victoria.
   b. Have charge and custody of and be responsible for all funds and securities of the Corporation.
   c. Receive and give receipts for moneys due and payable to the Corporation from any source.
   d. Deposit all moneys in the name of the Corporation in banks, trust companies, or other depositories as provided by these bylaws.
   e. Write checks and disburse funds to discharge obligations of the Corporation.
   f. Maintain the financial books and records of the Corporation.
   g. Prepare a financial report at least quarterly to be presented to the City Council and the Corporation's Board of Directors showing the projects upon which all funds have been expended in that quarter and other information as may be requested by the City Council or the Corporation's Board of Directors.
   h. Perform all duties incident to the office of Treasurer.
Article 5
Transactions of the corporation

5.01. **Contracts.** 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 may be extended to any number and type of possible contracts and instruments.

5.02. **Trusts.** The Board of Directors shall transfer or assign all funds of the Corporation to be held in trust by the City of Victoria. Funds held in trust shall be transferred to the corporation when requested by the corporation for expenditure.

5.03. **Depository.** The Board of Directors of the corporation shall designate a depository bank. All funds of the Corporation shall be deposited with the same depository bank as the City has designated as the City's depository bank.

5.04. **Potential Conflicts of Interest.** The members of the Board of Directors are local public officials within the meaning of Texas Government Code Chapter 171. If a director has a substantial interest 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 by the Board of Directors.

5.05. **Co signatures for Expenditures.** All moneys expended by the corporation shall be expended only upon the signatures of both (1) the President or Vice President and (2) the Treasurer or a person acting on behalf of the Treasurer of the Corporation.

Article 6
Books and Records

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

a. A file endorsed copy of all documents filed with the Texas Secretary of State relating to the Corporation, including, but not limited to, the articles of incorporation, any articles of amendment, restated articles of incorporation, articles of merger, articles of consolidation, and statement of change of registered office or agent.

b. A copy of the bylaws, and any amended versions or amendments to the bylaws.

c. Minutes of the proceedings of the Board of Directors.

d. A list of names and addresses of the directors and officers of the Corporation.

e. A financial statement showing the assets, liabilities, and net worth of the Corporation at the end of the three most recent fiscal years.

f. A financial statement showing the income and expenses of the Corporation for the three most recent fiscal years.

g. All rulings, letters, and other documents relating to the Corporation's federal, state and local tax status.

h. The Corporation's federal, state and local information or income tax returns for each of the Corporation's three most recent tax years.
6.02. **Records Open to Public.** The corporation shall be considered a "governmental body" within the meaning of Texas Government Code, Sec. 552.003 and records of the corporation shall be made available to the public for inspection or reproduction in accordance with the requirements of Texas Government Code, Chapter 552 (The Texas Open Records Act).

6.03. **Audits.** The City Council of the City of Victoria, Texas may at any time require an independent audit of the Corporation's books to be conducted, in addition to the annual financial audit of the Corporation which may be conducted and/or reported in conjunction with the City's annual audit.

**Article 7**

**Fiscal Year**

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

**Article 8**

**Amendments to Bylaws**

The bylaws may be altered, amended, or repealed by the Board of Directors only with the consent of the City Council of the City of Victoria, Texas.

**Article 9**

**Miscellaneous Provisions**

9.01. **Legal Authorities Governing Construction of Bylaws.** 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, Tex. Local Gov't Code §§ 501.001 et seq applicable to Type B Corporations under the 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.

9.02. **Legal Construction.** 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, illegal, or unenforceable provision had not been included in the bylaws.

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

9.04. **Seal.** The Board of Directors may provide for a corporate seal. Such seal would consist of two concentric circles containing the words "Victoria Sales Tax Development Corporation", and "Texas" in one circle and the "Incorporated" together with the date of incorporation of the Corporation in the other circle.

9.05. **Parties Bound.** 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.

**Effective Date.** These bylaws, and any subsequent amendments hereto, shall be effective of and from the date upon which approval has been given both by the Board of Directors and the City Council of the City of Victoria, Texas.
Certificate of Secretary

I certify that I am the duly elected and acting secretary of the Victoria Sales Tax 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 7th day of May, 2013, and approved by the City Council of the City of Victoria, Texas, at a meeting held on the 7th day of May, 2013.

Signed this 13th day of May, 2013.

[Signature]

Scarlet Swoboda