

BYLAWS
OF
BORGER ECONOMIC DEVELOPMENT CORPORATION
A NON-PROFIT CORPORATION
BORGER, TEXAS

SECTION I
Offices

1.01 Registered Office and Registered Agent

The Corporation shall have and continuously maintain in the State of Texas a registered office, and a registered agent whose office is identical with such registered office, as required by the Texas Non-Profit Corporation Act. The Board of Directors may, from time to time, change the registered agent and/or the address of the registered office, provided that such change is appropriately reflected in these Bylaws and in the Articles of Incorporation.

The registered office of the Corporation is located at 300 West Sixth Street, Borger, Texas 79007, and at such address is the Corporation, whose mailing address is P.O. Box 1157, Borger, Texas 79008-1157.

1.02 Principal Office

The principal office of the Corporation in the State of Texas shall be located in the City of Borger, County of Hutchinson, and it may be, but need not be, identical with the registered office of the Corporation.

SECTION II
Purposes

2.01 Purposes

The Corporation is a non-profit corporation specifically governed by the Texas Development Corporation Act of 1979, as amended. The purpose of the Borger Economic Development Corporation is to promote, assist, and enhance economic development in accordance with the Articles of Incorporation.

SECTION III
Members

3.01 Members

The Corporation shall have no members.

SECTION IV
Board of Directors

4.01 Board of Directors

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 governing body of the City of Borger, and subject to applicable limitations imposed by the Texas Non-Profit Corporation Act, the Texas Business Corporation Act, the Articles of Incorporation, or these Bylaws. The Board may, by contract, resolution, or otherwise, give general or limited or special power and authority to the officers and employees of the Corporation to transact the general business or any special business of the Corporation, and may give powers of attorney to agents of the Corporation to transact any special business requiring such authorization.

The Board may plan and direct its work through a Director of Economic Development, who will be charged with the responsibility of carrying out the Corporation's program as adopted and planned by the Board. The Board may contract with another entity for the services of a director.

4.02 Number and Qualifications

The authorized number of Directors of this Board shall be five (5).

The City Council shall appoint the Directors of the Corporation. The number of Directors shall be five (5). Each Director shall meet at least one (1) of the following qualifications:

- (1) serve, or have served, as Chief Executive Officer of a company; or
- (2) serve, or have served, in a position of executive management of a company; or
- (3) serve, or have served, in a professional capacity; or
- (4) have experience equivalent to any of the above qualifications.

The City Council shall consider an individual's experience, accomplishments, and educational background in appointing members to the Board to ensure that the interests and concerns of all segments of the community are considered.

4.03 Bonds

The President, Vice President, and Treasurer of the Board shall each give an official bond in the sum of not less than Twenty Thousand Dollars (\$20,000.00). The bonds referred to in this section shall be considered for the faithful accounting of all monies and things of value coming into the hands of such officers. The bonds shall be procured from some regularly accredited surety company authorized to do business in the state. The premiums therefore shall be paid by the Corporation. A copy of each officer's bond shall be filed with the City Secretary.

4.04 General Duties of the Board

In order to accomplish its public purpose, the Board is hereby required to perform the following duties:

1. The Board shall research, develop, prepare and submit to the City Council an economic development plan in conjunction with the annual budget for the City of Borger. The plan shall include both short-term and long-term goals for the economic development of Borger, proposed methods for the elimination of unemployment and underemployment, the promotion of employment through the expansion and development of a sound industrial and manufacturing base, and the expected costs of implementation. Such plans shall be approved by the City Council of the City of Borger. The economic development plan developed by the Board shall be one that includes the following elements:
 1. An economic development strategy to permanently bolster the business climate throughout the city.
 2. Strategies to fully utilize the assets of the city which enhance economic development.
 3. Identification of strategies to coordinate public, private, and academic resources to develop and enhance business opportunities for all citizens of Borger. This plan shall include methods to improve communication and cooperation between the above mentioned entities.
 4. Assurance of accountability of all tax moneys expended for its implementation of the overall economic development plan.

5. Identification of strategies and provide for implementation of identified strategies for direct economic development as defined in this Section.
 6. An annual work plan outlining the activities, tasks, projects and programs to be undertaken by the Board during the upcoming fiscal year. The annual work plan shall be submitted with the annual budget as outlined in Article 7.02 of these Bylaws.
 7. To assist the Board in the implementation of the overall economic development plan, the Board may seek out and employ a Director of Economic Development. The Director of Economic Development shall be responsible to the Board and shall act as the Board's chief administrative officer and shall assist the Board in carrying out the duties of the Board as set forth in this section. The Board shall, in the annual budget, make provisions for the compensation to be paid to the Director of Economic Development and such compensation so established by the Board shall comprise the salary and benefits paid to the Director of Economic Development for his/her services.
 8. The Director of Economic Development may employ such personnel as may be necessary to discharge the Corporation's assigned duties. The compensation for all such employees shall be set by the Board in its annual budget and such compensation so established by the Board shall comprise the salary and benefits for such employees, and provided further, no such employee shall be hired until such time as the Board has established such compensation for the position in question.
 9. The Director of Economic Development shall be hired by the Board with the approval of the City Council and may be removed by a vote of 3 members of the Board.
2. The Board shall review and update its overall economic development plan annually.
 3. The Board shall expend, in accordance with State law, the funds received by it on direct economic development where such expenditures will have a direct benefit to the citizens of Borger.

As used in this article, direct economic development shall mean the expenditure of funds for programs that directly accomplish or aid in the accomplishment of

creating identifiable new jobs or retaining identifiable existing jobs including job training and/or planning and research activities necessary to promote said job creation. The corporation's focus will be primarily in the areas of:

1. Business retention and expansion
 2. Formation of new businesses
 3. Business attraction
4. The Board shall be regularly accountable to the City Council for all activities undertaken by them or on their behalf, and shall report on all activities of the Board, whether discharged directly by the Board or by any person, firm, corporation, agency, association or other entity on behalf of the Board.
1. A mid-year report shall be made by the Board to the City Council during the month of March at a regularly scheduled City Council meeting. The mid-year report shall include the following
 1. Accomplishments to date as compared with the overall plan or strategy for direct economic development.
 2. Anticipated short-term challenges during the next six months together with recommendations to meet such short term challenges.
 3. Long-term issues to be dealt with over the succeeding twelve-month period or longer period of time, together with recommendations to meet such issues with emphasis to be placed on direct economic development.
 4. A recap of all budgeted expenditure to date, together with a recap of budgeted funds left unexpended and any commitment made on said unexpended funds. The recap of expenditures shall set forth separately those expenditures made in connection with direct economic development and those expenditures made by the Board in the discharge of its other duties.
 2. The Borger Economic Development Corporation shall make a detailed report to the City Council once each year. Such report shall include, but not be limited to, the following:
 1. A review of all expenditures made by the Board in connection with their activities involving direct economic development as defined in this article, together with a report of all other expenditures made by the Board.

2. A review of the accomplishments of the Board in the area of direct economic development.
3. The policies and strategy followed by the Board in relation to direct economic development together with any new or proposed changes in said policies and strategy.
4. The activities of the Board for the budget year addressed in said annual report, together with any proposed change in said activity as said activity or activities relate to direct economic development.
5. A review of the activities of the Board in areas of endeavor other than direct economic development together with any proposed changes in such activities.
6. An annual work plan outlining the activities, tasks, projects and programs to be undertaken by the Board during the upcoming fiscal year.
7. The annual required report shall be made to the City Council no later than the second regular City Council meeting in the month of October.
8. The annual report shall be considered by the City Council for its review and acceptance.

4.05 Implied Duties

The Borger Economic Development Corporation is authorized to do that which the Board deems desirable to accomplish any of the purposes or duties set out or alluded to in Section 4.04 of these Bylaws and in accordance with State law.

4.06 Tenure

The initial terms of office for the Directors shall be three (3) Directors with three (3) year terms, and two (2) Directors with two (2) year terms as designated by the City Council. No member of the Board shall serve more than two (2) consecutive terms. After the initial term of office the Directors shall serve for three (3) years. Directors shall be removable at any time by a majority vote of the City Council.

4.07 Vacancies

Any vacancy occurring shall be filled by appointment by the City Council.

4.08 Meetings

The Board shall meet at least once each month at a place and time to be determined by the President. All meetings of the Board shall provide notice thereof as provided and set forth in Vernon's Annotated Civil Statutes Article 6252-17, et seq. Any member of the Board may request that an item be placed on the agenda by delivering the same in writing to the secretary of the Board no later than ten (10) days prior to the date of the Board meeting. The President of the Board shall set regular meeting dates and times at the beginning of his/her term.

Notice of any meeting shall be given to the public in accordance with the requirements of the Texas Open Meetings Act. The notice shall contain information regarding the particular time, date, and location of the meeting and the agenda to be considered. All meetings shall be conducted in accordance with the Texas Open Meetings Act.

The annual meeting of the Board of Directors shall be the regular meeting in May of each year.

4.09 Attendance

Regular attendance of the Board meetings is required of all Members. The following number of absences may constitute the need for replacement of a member: three (3) consecutive absences, or attendance reflecting absences constituting 50% of the meetings over a 6-month period. In the event replacement is indicated, the member will be counseled by the President and, subsequently, the President shall submit in writing to the City Secretary the need to replace the Board member in question.

4.10 Quorum

For the purpose of convening a meeting, a simple majority of the appointed number of appointed Directors then serving on the Board shall constitute a quorum. For purposes of transacting the business of the Corporation at any meeting, a simple majority of the appointed Directors shall constitute a quorum. If there is an insufficient number of Directors present to convene the meeting, the presiding officer shall adjourn the meeting.

4.11 Compensation

The duly appointed members of the Board shall serve without compensation, but shall be reimbursed for actual or commensurate cost of travel, lodging and incidental expenses while on official business of the Board in accordance with State law.

4.12 Voting; Action of the Board of Directors

Directors must be present in order to vote at any meeting. Unless otherwise provided in these Bylaws or in the Articles of Incorporation or as required by law, the act of a simple majority of the Directors present at any meeting for which a quorum is present shall be the act of the Board of Directors. In the event that a Director is aware of a conflict of interest or potential conflict of interest, with regard to any particular vote, the Director shall bring the same to the attention of the meeting and shall abstain from the vote, unless the Board determines that no conflict of interest exists. Any Director may bring to the attention of the meeting any apparent conflict of interest or potential conflict of interest of any other Director, in which case, the Board shall determine whether a true conflict of interest exists before any vote shall be taken regarding that particular matter. The Director as to whom a question of interest has been raised shall refrain from voting with regard to the determination as to whether a true conflict exists.

4.13 Board's Relationship with City Council

In accordance with State law, the City Council shall require that the Borger Economic Development Corporation be responsible to it for the proper discharge of its duties assigned in this article. All policies for program administration shall be submitted for Council approval, and the Board shall administer said programs accordingly. The board shall determine its policies and direction within the limitations of the duties herein imposed by applicable laws, the Articles of Incorporation, these Bylaws, contracts entered into with the City, and budget and fiduciary responsibilities.

4.14 Board's Relationship with Administrative Departments of the City

Any request for services made to the administrative departments and/or City Attorney of the City shall be made by the Board or its designee in writing to the City Manager. The City Manager may approve such request for assistance from the Board when he finds such requested services are available within the administrative departments of the City and/or City Attorney and that the Board has agreed to reimburse the city's operating budget for the costs of such services so provided.

SECTION V

OFFICERS

5.01 Officers of the Corporation

The elected officers of the Corporation shall be a President, Vice President, Secretary, and Treasurer. The Board may resolve to elect one or more Assistant Secretaries or one or more Assistant Treasurers as it may consider desirable. Such officers shall have the authority and perform the duties of the office as the Board may from time to time prescribe or as the Secretary or Treasurer may from time to time delegate to his or her respective Assistant. Any two (2) or more offices may be held by the same person, except the office of President.

5.02 Selection of Officers

The initial President and Vice President shall be elected by the Board and shall serve a term of one (1) year. On the expiration of the term of office of the original President and Vice President, the Board shall select from among its Members individuals to hold such office. The term of office of the President and Vice President shall always be for a period of one year; provided, however, that the President and Vice President continue to serve until the election of their successors.

The Secretary and Treasurer shall be selected by the members of the Board and shall hold office for a period of one (1) year; provided, however, that they shall continue to serve until the election of their successors. Elections shall be held at the annual meeting of the Board.

5.03 Vacancies

Vacancies in any office which occur by reason of death, resignation, disqualification, removal, or otherwise, may be filled by the Board of Directors for the unexpired portion of the term of that office, in the same manner as other officers are elected to the Board.

5.04 President

The President shall be the presiding officer of the Board with the following authority:

2. Shall preside over all meetings of the Board.
3. Shall have the right to vote on all matters coming before the Board.
4. Shall have the authority, upon notice to the members of the Board, to call a special meeting of the Board when in his judgment such meeting is required.

5. Shall have the authority to appoint standing committees to aid and assist the Board in its business undertakings or other matters incidental to the operation and functions of the Board.
6. Shall have the authority to appoint ad hoc committees which may address issues of a temporary nature of concern or which have a temporary affect on the business of the Board.

In addition to the above mentioned duties, the President shall sign with the Secretary of the Board any deed, mortgage, bonds, contracts, or other instruments which the Board of Directors has approved and unless the execution of said document has been expressly delegated to some other officer or agent of the Corporation by appropriate Board resolution, by a specific provisions of these Bylaws, or by statute. In general, the President shall perform all duties incident to the office, and such other duties as shall be prescribed from time to time by the Board of Directors.

5.05 Vice President

In the absence of the President, or in the event of his or her inability to act, the Vice President shall perform the duties of the President. When so acting, the Vice President shall have all power of and be subject to all the same restrictions as upon the President. The Vice President shall also perform other duties as from time to time may be assigned to him or her by the President.

5.06 Secretary

The Secretary shall keep, or cause to be kept, at the registered office a record of the minutes of all meetings of the Board and of any committees of the Board. The Secretary shall also file a copy of said Minutes with the City and the same to be given, in accordance with the provisions of these Bylaws, or as required by the Texas Open Meetings Act or the Texas Open Records Act or other applicable law. The Secretary shall be custodian of the corporate records and seal of the Corporation, and shall keep a register of the mailing address and street address, if different, of each director.

5.07 Treasurer

The Treasurer shall be bonded for the faithful discharge of his/her duties with such surety or sureties and in such sum as the Board of Directors shall determine by Board resolution, but in no event shall the amount of such bond be less than an amount equal to the average of the sums which the Treasurer has access to and the ability to convert during a twelve (12) month period of

time. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Corporation. The Treasurer shall receive and give receipt for money due and payable to the Corporation from any source whatsoever, and shall deposit all such moneys in the name of the Corporation in such bank, trust corporation, and/or other depositories as shall be specified in accordance with Article seven of the Bylaws. The Treasurer shall, in general, perform all the duties incident to that office, and such other duties as from time to time may be assigned to him by the President of the Board. Specifically, the Treasurer shall prepare and present to each regular meeting of the Board a monthly financial statement.

5.08 Assistant Secretaries and Assistant Treasurers

The Assistant Secretaries and Assistant Treasurers, if any, shall in general, perform such duties as may be assigned to them by the Secretary or the Treasurer, or by the President or the Board of Directors.

5.09 Director of Economic Development

The Corporation may employ a Director of Economic Development. The Director of Economic Development shall serve as the Chief Executive Officer of the corporation and shall oversee all administrative functions of the Corporation. The Director shall develop policies and procedures for the Corporation including financial, accounting, and purchasing policies and procedures to be approved by the Board and City Council.

5.10 Other Employees

The Corporation may employ such full or part-time employees as needed to carry out the programs of the Corporation. These employees shall perform those duties as are assigned to them by the Director of Economic Development. The Director of Economic Development shall hire, direct, and control the work of all Corporation employees.

5.11 Contracts for Service

The Corporation may, with approval of the City Council, contract with any qualified and appropriate person, association, corporation or governmental entity to perform and discharge designated tasks which will aid or assist the Board in the performance of its duties. However, no such contract shall ever be approved or entered into which seeks or attempts to divest the Board of Directors of its discretion and policy-making functions in discharging the duties herein above set forth in this section.

SECTION VI
Committees

6.01 Qualifications for Committee Membership

Members of committees shall be appointed by the President, and approved by the Board. Committee members need not be members of the Borger Economic Development Corporation unless required by these Bylaws or Board resolution.

6.02 Standing Committees

The President shall have authority to appoint the following standing committees of the Board and such other committees as the Board may deem appropriate in the future:

1. Budget, Finance and Audit Committee: This committee shall have the responsibility of working with the Director, or the contractual entity performing as a Director as the case may be, in the formation and promotion of the annual budget of the Board. The Committee shall present such budget to the Board and, upon approval, shall present, in accordance with these Bylaws, said budget to the City Council. In addition to the preparation of the budget for the Board, the Committee shall monitor all budget expenditures of the Board and keep the board advised in such matters. The Committee shall further have the responsibility to oversee and work with auditors of the City or outside auditors when audits of the Board are being performed.
2. Committee for Business Retention and Expansion: This committee shall work with the Director of Economic Development and shall keep the Board informed of all development and activities concerning business retention and expansion.
3. Committee for new Business Formation: This committee shall work with the Director of Economic Development and shall keep the Board informed of all development and activities concerning new business formation.
4. Committee for new Business Attraction and Recruitment: This committee shall work with the Director of Economic Development and shall keep the Board informed of all developments and activities concerning business attraction and recruitment.

6.03 Special Committees

The President may determine from time to time that other committees are necessary or appropriate to assist the Board of Directors, and shall designate, subject to Board approval, the members of the respective committees.

6.04 Committee Authority

No committee shall have independent authority to act for or in the stead of the Board of Directors with regard to the following manners: amending, altering, or repealing the Bylaws; electing, appointing, or removing any member of any such committee or any Director or Officer of the Corporation; amending the Articles of Incorporation; adopting a plan of merger or adopting a plan of consolidation with another corporation; authorizing the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of the Corporation; authorizing the voluntary dissolution of the Corporation or revoking the proceedings therefore; adopting a plan for the distribution of the assets of the Corporation; or amending, altering, or repealing any resolution of the Board of Directors which by its terms provides that it shall not be amended, altered, or repealed by such committee.

The designation and appointment of any committee and any express delegation of authority to that committee shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed on it or on him/her by law.

6.05 Term of Office of Committee Members

Each member of a committee shall continue as such until the next annual appointment of the Board of Directors and until his or her successor on the committee is appointed, unless the committee shall be sooner terminated or unless such member has ceased to serve on the Board of Directors, or unless such member be removed from such committee.

Any committee member may be removed from committee membership by the President, with Board approval, whenever in their judgment the best interests of the Corporation would be served by such removal.

6.06 Vacancies on Committees

Vacancies in the membership of any committee may be filled in the same manner as provided with regard to the original appointments to that committee.

6.07 Ex-Officio Members

The City Manager (or his/her designee), the Mayor of Borger (or his/her designee), the President of the Borger Chamber of Commerce (or his/her designee) and the County Judge of Hutchinson County (or his/her designee) may attend all meetings of the Board of Directors or Committees, including executive, private or public. These representatives shall not have the power to vote in the meetings they attend. Their attendance shall be for the purpose of ensuring that information

about the meetings are accurately communicated to the City Council and to satisfy the City Council obligation to control the powers of the Corporation.

SECTION VII **Financial Administration**

The Corporation may contract with the City for financial and accounting services. The Corporation's financing and accounting records shall be maintained according to the following guidelines.

7.01 Fiscal Year

The fiscal year of Corporation shall begin on October 1 and end on September 30 of the following year.

7.02 Budget

A budget for the forthcoming fiscal year shall be submitted to, and approved by, the Board of Directors, and the City Council of the City of Borger. In submitting the budget to the City Council, the Board of Directors shall submit the budget on forms prescribed by the City Manager and in accordance with the annual budget preparation schedule as set forth by the City Manager. The budget shall be submitted to the City Manager by June 15 for inclusion of it in the annual budget presentation to the City Council. The budget proposed for adoption shall include the projected operating expenses, and such other budgetary information as shall be useful to or appropriate for the Board of Directors and the City Council of the City of Borger.

7.03 Contracts

As provided in Article V above, the President and Secretary shall execute any contracts or other instruments which the Board has approve and authorized to be executed, provided, however, that the Board may by appropriate resolution, authorize any other officer or officers or any other agent or agents, including the Director of Economic Development, to enter into contracts or execute and deliver any instrument in the name and on behalf of the Corporation. Such authority may be confined to specific instances or defined in general terms. When appropriate, the Board may grant a specific or general power of attorney to carry out some action on behalf of the Board, provided, however that no such power of attorney may be granted unless an appropriate resolution of the Board authorizes the same to be done.

7.04 Checks and Drafts

All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation shall be signed by, or bear the facsimile of, by two (2) persons, either the President or the Treasurer, and such other person as designated by the Board.

7.05 Deposits

All funds of the Borger Economic Development Corporation shall be deposited on a regular basis to the credit of the Corporation in the financial institution which serves as the official city depository.

7.06 Gifts

The Borger Economic Development Corporation may accept on behalf of the Corporation any contribution, gift, bequest, or device for the general purpose or for any special purposes of the Corporation.

7.07 Purchasing

All purchases made and contracts executed by the Corporation shall be made in accordance with the requirements of the Texas Constitution and Statutes of the State of Texas.

7.08 Investments

Temporary and idle funds which are not needed for immediate obligations of the Corporation may be invested in any legal manner provided in Tex. Rev. Civ. Stat. Ann. Art. 842a-2 (Public Funds Investment Act).

7.09 Bonds

Any bonds issued by the Corporation shall be in accordance with the statute governing this corporation but in any event, no bonds shall be issued without approval of the Borger City Council after review and comment by the City's bond counsel and financial advisor.

7.10 Uncommitted Funds

Any uncommitted funds of the Corporation at the end of the fiscal year shall be considered a part of the Fund Balance.

The Undesignated Fund Balance may be committed for any legal purpose provided the Corporation's Board of Directors and the City Council both approve such commitment. This may include the establishment of a Permanent Reserve Fund which shall be accumulated for the purpose of using the interest earnings of such fund to finance the operation of the Corporation.

SECTION VIII **Books and Records**

8.01 Books and Records

The Corporation shall keep correct and complete books and records of all actions of the Corporation, including books and records of account and the minutes of meetings of the Board of Directors and of any committee having any authority of the Board and to the City Council. All books and records of the Corporation may be inspected by Directors of the Corporation or his/her agent or attorney at any reasonable time; and any information which may be designated as public information by law shall be open to public inspection at any reasonable time. The Texas Open Records Act and Open Meetings Act shall apply to disclosure of public information. The Board of Directors shall provide for an annual financial audit to be performed by a competent independent audit firm selected by the City Council.

8.02 Monthly Reports

The Corporation shall provide to the City Council monthly summaries of (1) proposed disbursement of funds for anticipated projects and (2) funds that are disbursed in excess of \$50,000.

If any two (2) Council members, or one (1) Council member and the Mayor, request formal Council consideration, the City Manager shall notify the Director who shall not make the dispersal unless the request for formal Council action is withdrawn. Upon request for formal Council consideration, no such payment shall be made, unless a formal public vote in open City Council session is made to approve the dispersal.

SECTION IX

Seal

9.01 Seal

The Board of Directors shall obtain a corporate seal which shall bear the words "Borger Economic Development Corporation, Not for Profit, TEXAS and 1990"; the Board may thereafter use the corporate seal and may later alter the seal as necessary without changing the corporate name; but these Bylaws shall not be construed to require the use of the corporate seal.

SECTION X

Parliamentary Authority

10.01 Amendments to Bylaws

These Bylaws may be amended or repealed and new Bylaws may be adopted by an affirmative vote of four (4) of the authorized Directors serving on the Board, at a special meeting of the Directors held for such specific purpose, and the notice requirements stated hereinabove regarding special meetings shall apply. The Directors of the Corporation present at an annual meeting of the Board may, by a vote of four (4), in accord with the requirements of Article IV hereinabove, amend or repeal and institute new Bylaws, provided that at least ten (10) days prior to the annual meeting, written notice setting forth the proposed action shall have been given to the Directors, and public notice regarding such action given according to the requirements of the Texas Open Meeting Act and Open Records Act.

SECTION XI

Dissolution

11.01 Dissolution

On petition of ten (10) percent or more of the registered voters of the City of Borger requesting an election on the dissolution of the Corporation, the City Council shall order an election on the issue. The election must be conducted according to the applicable provision of the Election Code. The ballot for the election shall be printed to provide for voting for or against the proposition:

Dissolution of the Borger Economic Development Corporation

If a majority of voters voting on the issue approve the dissolution, the Corporation shall continue operations only as necessary to pay the principal of and interest on its bonds and to meet obligations incurred before the date of the election and, to the extent practicable, shall dispose of

its assets and apply the proceeds to satisfy those obligations. When the last of the obligations is satisfied, any remaining assets of the Corporation shall be transferred to the City, and the Corporation is dissolved.

SECTION XII
Indemnity

12.01 Indemnity

The Board of Directors shall authorize the Corporation to pay or reimburse any current or former Director or Officer of the Corporation for any costs, expenses, fines, settlements, judgments, and other amounts, actually and reasonably incurred by such person in any action, suit, or proceeding to which he or she is made a party by reason of holding such position as Officer or Director; provided, however, that such Officer or Director shall not receive such indemnification if he/she be finally adjudicated in such instance to be liable for gross negligence or intentional misconduct in office. The indemnification herein provided shall also extend to good faith expenditures incurred in anticipation of, or preparation for, threatened or proposed litigation. The Board of Directors may, in proper cases, extend the indemnification to cover the good faith settlement of any such action, suit, or proceedings, whether formally instituted or not.

To the extent the Board of Directors authorize indemnification to Directors or Officers of the Corporation, City of Borger shall also provide indemnity to said Directions and Officers. However, City of Borger's indemnification shall only apply after Corporation's ability to indemnify has been exhausted. Nothing in this section creates personal liability on the part of Officers and Directors to any extent not otherwise provided by statute or case law.

Furthermore, the Corporation agrees to indemnify and hold harmless and defend the City of Borger, its officers, agents, and its employees from and against liability for any and all claims, liens, suits, demands, and/or actions for damages, injuries to persons (including death), property damage (including loss of use), and expenses, including court costs and attorneys fees and other reasonable costs arising out of or resulting from Corporation's activities and from any liability arising out of or resulting from the intentional acts or negligence, including all such causes of action based upon common, constitutional, or statutory law, or based in whole or in part upon the negligent or intentional acts or omissions of Corporation, including but not limited to its officers, agents, employees, licensees, invitees, and other persons.

Corporation further agrees that it shall at all time exercise reasonable precautions on behalf of, and be solely responsible for, the safety of its officers, agents, employees, licensees, invitees, and other persons, as well as their property, while in the vicinity where activities are being performed. It is expressly understood and agreed that City of Borger shall not be liable or responsible for the negligence of Corporation including but not limited to its officers, agents, employees, licensees, invitees, and other persons.

It is further agreed with respect to the above indemnity, that City of Borger and Corporation will provide the other prompt and timely notice of any event covered which in any way, directly or indirectly, contingently or otherwise, affects or might affect Corporation or City of Borger, and City of Borger shall have the right to compromise and defend the same to the extent of its own interests. It is further agreed that indemnity clause shall be an additional remedy to the City of Borger and not an exclusive remedy.

SECTION XIII
Miscellaneous

13.01 Relation to Articles of Incorporation

These Bylaws are subject to, and governed by, the Articles of Incorporation and applicable State statutes under which the Corporation is organized.



Retirement Policy and Procedure **Borger Economic Development Corporation**

Background and History

A subcommittee consisting of Scott Mills, Harvey Hathaway, and Steven Bloomberg was formed to investigate different options for providing employees with a retirement plan. A formalized plan has not been offered for the past three years. Although funds have been set aside in the annual budget, approximately \$3,500.00 per year for retirement, no monies have been expended during this time period. The subcommittee's objective was to examine varying retirement options and bring forth a recommendation to the full board. On March 14, 2006 the board approved a retirement option as recommended by the committee.

Policy

The recommendation and option approved by the board was for a Roth IRA. Under the Roth IRA, a maximum of \$4,000.00 can be contributed per year to the account. Unlike a simple retirement fund, the Roth account is "after tax money", meaning taxes have already been paid on the amount contributed. The advantage of this is when funds are withdrawn from the account taxes have already been paid. The committee decided if a Roth was chosen, the BEDC would contribute three percent, based upon an employee's salary. For example, if an employee's salary was \$30,000.00 per year, the BEDC would contribute three percent of that amount, or \$900.00 per year. The check from the BEDC would go to the Roth plan administrator to be deposited in the account of the employee. Under this plan the BEDC would contribute a maximum of three percent of an employee's annual salary, regardless of what the employee chose to contribute.

Procedure

For employees that are participating in a Roth IRA, the BEDC will cut a check monthly for three percent of an employee's salary. This check will be made out to the employee's plan administrator.

Document Date: March 23, 2006