

**BYLAWS  
OF  
LOCKNEY ECONOMIC DEVELOPMENT CORPORATION**

**SECTION ONE  
OFFICES**

**1.01. Registered Office and Registered Agent.** Lockney Economic Development Corporation (herein "Corporation") shall have and maintain at all times within the State of Texas a registered office and registered agent, whose office is identical with such registered, as required by Chapter 22 of the Business Organizations Code and the Development Corporation Act. The Board of Directors may, from time to time, change the registered agent and/or address of the registered office, provided that proper notification of such change is given to the Office of the Secretary of the State of Texas. The registered office of the Corporation is located at 218 E. Locust, Lockney, Texas 779241. The registered agent of the Corporation is *(to be designated)*.

**1.02. Principal Office.** The principal office of the Corporation in the State of Texas shall be located in the City of Lockney, County of Floyd, and it may be, but need not be identical with the registered office of the Corporation.

**SECTION TWO  
PURPOSES**

**2.01. Purposes.** The Corporation is incorporated for the purposes set forth in Article Five of its Articles of Incorporation, the same to be accomplished on behalf of the City of Lockney, Texas (the "City") as its duly constituted authority and instrumentality in accordance with the Development Corporation Act of 1979, as amended, Article 5190.6, Vernon's Ann. Civ. St., Sect. 4B (the "Act"), other applicable laws, and the City of Lockney Ordinance No. 297.

**SECTION THREE  
POWERS**

**3.01. Powers.** In the fulfillment of its corporate purpose, the Corporation shall be governed by Section 4B, of the Act, and shall have all the powers set forth and conferred in its Articles of Incorporation, in the Act, and in other applicable law, subject to the limitations prescribed therein and herein and to the provisions thereof and hereof.

**SECTION FOUR  
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"). Directors shall be appointed by the governing body of the City of Lockney, and subject to the applicable limitations imposed by the Texas Non-Profit Corporation Act, the Development Corporation Act of 1979, Texas Local Government Code, the Articles of Incorporation, and 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 not in the conflict with the Texas Local Government Code or as otherwise provided by law.

**4.02. Composition.** The Board shall consist of seven (7) directors appointed by the majority vote of the city council at an open meeting. At least three (3) directors must not be employees, officers, or members of the city council. Each member of the Board shall be appointed for a term of two (2) years. Each Director must: either: 1) be a resident of the municipality, 2) be a resident of the county in which the major part of the area of the municipality is located, or 3) reside within ten (10) miles of the municipality's boundaries and in a county bordering the county in which most of the area of the municipality is located. Each member of the Board shall serve at the pleasure of the city council and shall not receive compensation but is entitled to reimbursement for actual expenses incurred in the performance of the director's duties for the Corporation.

**4.03. Removal.** A director may be removed by the governing body of the City of Lockney at any time without cause

**4.04. Vacancies.** In case of a vacancy on the Board, the City Council shall appoint a successor to serve the remainder of the unexpired term.

**4.05. General Duties of the Board.** The Board shall have the following duties:

The Board shall develop, and as necessary update and modify, strategies and plans to implement the purpose of the Corporation; to efficiently and without unnecessary duplication utilize local resources to effect its purposes; and to see the efficient use of its available revenues. It shall direct its efforts toward the development of projects as authorized by the Act of any other applicable law.

The Lockney Economic Development Corporation shall make reports to the City Council of the City of Lockney. The Corporation shall discharge this requirement by reporting to the City Council in the following manner:

1. The Board shall submit by August 1 of each year to the City Council its proposed activities and financial budget and projection for the following year;
2. The Board shall provide the City at least quarterly summaries of all funds that are disbursed by the Corporation. Prior to committing to any project the Board will submit to the City, at least thirty (30) days prior to committing to the project, a report detailing the amounts to be spent and the purpose of the expenditures. Additionally, the Corporation shall submit to the City quarterly reports on projects being pursued by the Corporation, listing all anticipated expenditures relating to that project for the quarter.
3. The Board shall provide a copy of minutes from all meetings and all reports of its finances to the City Council.
4. The Board shall meet with City Council as often as necessary to insure that it and the City Council are able to discharge their respective duties in an informed manner.

5. Before expending funds to undertake a project, the Corporation shall hold at least one public hearing as required by Texas Civil Statutes Article 5190.6, Section 4B (n).

#### **4.06. Resignations.**

1. Director resignations shall be made in writing and shall take effect immediately upon receipt by the President or the Director of the Economic Development, if any. The acceptance of a resignation shall not be necessary to make it effective unless expressly so provided in the resignation.
2. Any Director who files for elected office other than that of Mayor or City Council shall automatically resign from the Board, except for elected officials then serving on the Board and seeking reelection to the same office. Such automatic resignation shall take effect upon the Director filing an application for candidacy, and such vacancy shall be filled in the manner provided in Section 4.04.

### **SECTION FIVE** **MEETINGS**

**5.01. Meetings.** The Board shall meet at least once each fiscal quarter at a place within the boundaries of the City of Lockney or within Floyd County and at a time to be determined by the President. The Board shall provide notice of all meetings as provided in the Texas Open Meeting Act Texas Public Information Act, or other applicable law. The annual meeting of the Board shall be held in October of each year.

**5.02. Special Meetings.** A special meeting of the Board may be called or held at the request of the Corporation's President or by any three (3) Directors. Notice of a special meeting shall be given in writing to all Directors at least 72 hours prior to the meeting

**5.03. Quorum.** A majority of the Directors constitutes a quorum for conducting the official business of the Corporation. The act of a majority of the Directors present at a meeting at which a quorum is present shall constitute the act of the Board and the Corporation unless the act of a greater number is required by law. However, in no event shall any project or expenditure be approved except by the affirmative vote of not less than four (4) directors present at the meeting. A Director may not vote by proxy. Directors must be present to vote at any meeting. Regular attendance is expected.

**5.04. Attendance.** Directors shall be expected to regularly attend all Board meetings. Special consideration can be granted for absences for good cause. The Council shall be advised of and may remove any Director who is absent from three (3) consecutive regular or special meetings, or 66% of total meetings.

## **SECTION SIX**

### **CONFLICTS OF INTEREST**

**6.01.** Whenever 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.

## **SECTION SEVEN**

### **BOARD'S RELATIONSHIP WITH CITY COUNCIL**

**7.01.** In accordance with State Law, the City Council shall require that the Corporation be responsible to it for the proper discharge for its deputies. The board shall determine its policies and direction within the limitations of the duties herein imposed and by applicable laws, the Certificate of Formation, these Bylaws, contracts entered into with the City, and budget and fiduciary responsibilities.

**7.02.** The Corporation is authorized to undertake projects as described in Subchapter C of Chapter 501 of the Local Government Code and Chapter 505 of the Local Government Code (formerly Section 2 (11) and Section 4B of Article 5190.6 of Revised Civil Statutes), including but not limited to, projects to promote new or expanded business enterprises that create or retain primary jobs, including public safety facilities, streets and roads, rail spurs, water, sewer and other utilities, drainage and related improvements, demolition of existing structures, municipally-owned improvements and targeted infrastructure and any other improvements, expenditures, or facilities that are related to any such projects and other projects that will promote new or expanded business that create or retain primary jobs; and projects related to recreational community facilities including convention, tourist, and exhibition facilities, athletic facilities, amphitheaters, public parks, park facilities and events, and open space improvements along with related infrastructure and other improvements that enhance such items; and primary job training provided by institutions of higher education, research and development facilities and recycling facilities; and the maintenance and operations expenses for any of the above described projects. However, all projects are subject to the approval of the City Council.

**7.03 Annual Financial Report.** An annual financial report for the Corporation must be provided to the City Council.

## **SECTION EIGHT**

### **OFFICERS OF THE CORPORATION**

**8.01. Elected Officers.** The officers for the Corporation shall be a president, vice president, a secretary, and a treasurer. There may be such other officers, assistant officers and agents as the Board of Directors may deem necessary. The president and each vice president shall be named from among the members of the Board of Directors of the Corporation. No agent or employee of the Corporation need be a director of the Corporation, a resident of the City or an employee of the City. Any two or more offices may be held by the same person, except the offices of president and secretary.

**8.02. Election of Officers.** Except as provided by Section 8.5, all officers shall be elected by the Board of Directors at the Annual Meeting of the Board of Directors. Each newly elected officer (other than any person who succeeds himself in office) shall take office immediately following his/her election. Any person elected as an officer of the Corporation by reason of the death, disability, retirement, disqualification or removal from office of an officer or by reason of the occurrence of a vacancy of the office of the officer for any other reason, shall take office immediately upon his/her election. +

**8.03. Term of Office.** Except for the initial officers who shall hold office until the first annual board meeting, each officer of the Corporation shall hold office for a term of one year until the next annual meeting of the Board of Directors and until his successor is duly elected and qualified or until his death, resignation, retirement, disqualification or removal from office. There shall be no limitation on the number of consecutive years that a person may serve in the same office.

**8.04. Removal.** Any officer, employee or agent may be removed from the position held by them, with or without cause, at any time by the majority vote of the directors present at any meeting of the Board of Directors at which a quorum is present whenever in their judgment the best interests of the Corporation will be served thereby.

**8.05. Filling of Vacancies.** Any vacancy occurring in any office of the Corporation (by death, resignation, removal or otherwise) may be filled by the Board of Directors of the Corporation.

**8.06. President.** The President shall be the chief executive officer of the corporation, and shall serve as chairman of the Executive Committee, if any. The President shall appoint standing and special committees and task groups as required, and as approved by the Board of Directors. In the absence or disability of the President, his duties shall be performed and his powers may be exercised by the First Vice President designated in these Bylaws. The Presidents shall be an ex-officio member of all committees appointed by the President of the Board of Directors.

**8.07 Vice President.** The Vice President shall generally assist the President and shall have such powers and perform such duties and services as, from time to time, shall during the absence of or in the event of the death, disability, retirement, disqualification, removal or the occurrence of the vacancy of the office of the President for any other reason, perform the duties and exercise the power of the President. The Corporation may have additional vice presidents as the Board of Directors may from time to time determine and appoint.

**8.08. Secretary.** The Secretary shall see that notices are given of all meetings of the Board of Directors and shall assure that true records of all proceedings of all such meetings are maintained. The Secretary shall determine that all books, documents, papers and records of the Corporation, except those for which some other office or agency is properly accountable, are being properly maintained. The Secretary shall generally perform all duties and shall have authority to exercise all the powers usually appertaining to the office of secretary of a corporation. In the absence of or disability of the secretary, the duties shall be performed by such person as shall be appointed by the Board of Directors.

**8.09. Treasurer.** The Treasurer shall discharge his duties by placing the funds of the Corporation in the custody of the employees of the City of Lockney who have been designated by the City Council for that purpose. The Treasurer shall have the right at all reasonable times to review any and all records of

the City of Lockney or the Corporation relating to such funds. No funds of the Corporation shall be disbursed without the approval of the President or Treasurer upon the disbursement of documents. The Treasurer shall, in general, perform all duties incident to that office, and such other duties as from time to time may be assigned to him or her by the President of the Board.

**8.10. Authority.** Officers and agents shall have such authority and perform such duties in the management of the Corporation as are provided in these Bylaws or as may be provided by resolution.

**8.11. Compensation.** Officers who are members of the Board shall not receive any salary or compensation for their services, except that they shall be reimbursed for their actual expenses incurred in the performance of their official duties as officers.

## **SECTION NINE** **MISCELLANEOUS**

**9.01. Books and Records.** The Corporation shall keep books and records of accounts and shall keep minutes of the proceedings of its Board of Directors and each committee. All books and records of account of the Corporation shall be subject to the provisions of Chapter 552 of the Texas Government Code, relating to public information.

**9.02. Checks and Notes.** The Corporation's depository shall be the same as the City's depository. The Corporation has chosen to contract with the City to administer its accounts, and, therefore, disbursements from the Corporation's accounts will be made only by checks signed by the City Manager and an officer of the Corporation. However, such disbursements may only be made based on Board approved projects up to budgeted amounts.

**9.03 Fiscal Year.** The fiscal year of the Corporation shall be the same as the fiscal year of the City. Contracts for Services. The Corporation may 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 its discretion and policy-making functions in discharging the duties.

**9.04. Annual Corporate Budget.** At least sixty (60) days prior to the commencement of each fiscal year of the Corporation, the Board of Directors shall adopt a proposed budget of expected revenues and proposed expenditures for the next ensuing fiscal year. The budget shall contain such classifications and shall be in such form as may be prescribed from time to time by the City Council. The budget shall not be effective until it has been approved by the City Council.

**9.05. Deposit and Investment of Corporate Funds.** All proceeds from loans or from the issuance of bonds, notes or other debt instruments ("Obligations") issued by the Corporation shall be deposited and invested as provided in the resolution, order, indenture or other documents authorizing or relating to their execution or issuance. Subject to the requirements of contracts, loan agreements, indentures or other agreements securing Obligations, all other monies of the corporation, if any, shall be deposited, secured and/or invested in the manner provided for the deposit, security and/or investment of the public funds of the City. The accounts, reconciliation and investment of funds and accounts shall be performed by the city.

9.06. **Expenditures of Corporate Money.** The monies of the Corporation, including sales and use taxes collected pursuant to Chapter 505 of the Act, monies derived from rents received from the lease or use of property, the proceeds from the investment of funds of the Corporation, the proceeds from the sale of property and the proceeds derived from the sale of Obligations may be expended by the Corporation for any of the purposes authorized by the Act, subject to the following limitations:

- a. Expenditures from the proceeds of Obligations shall be identified and described in the orders, resolutions, indentures or other agreements submitted to and approved by the City Council prior to the execution of loan or financing agreements or the sale and delivery of Obligations to the purchasers.
- b. Expenditures that may be made from a fund created with the proceeds of Obligations and expenditures of monies derived from sources other than the proceeds of Obligations may be used for the purposes of financing or otherwise providing one or more "Projects," as defined in Chapter 505 and other provisions of the Act. The specific expenditures shall be described in a resolution or order of the Board and shall be made only after approval by the City Council.
- c. All other proposed expenditures shall be made in accordance with and shall be set forth in the annual budget.
- d. The Corporation may not assume a debt or make any expenditures towards any principal or interest on a debt if the debt existed before the date the City created the Corporation.
- e. Expenditures for Projects require written performance agreements to assure that the public purpose of the expenditure is served. Such agreements must at a minimum meet the stated requirements for performance agreements found in the Act.
- f. In some circumstances, a public hearing may be required before spending money on a project. Because the population of Lockney is under 20,000, the public hearing requirement does not apply to projects directly related to the creation or retention of primary jobs if the proposed project is defined by Subchapter C, Chapter 501 of the Act. If there is a question as to whether a public hearing is required, legal counsel should be consulted.

9.07. **Approval of Advice and Consent of the City Council.** To the extent that these Bylaws refer to any approval by the City or by the City Council, that approval shall be evidenced by a certified copy of an ordinance, resolution, order of motion duly adopted by the City Council.

9.08. **Indemnity.** As provided in the Act, the Corporation is a governmental unit and its actions are governmental functions. The Corporation shall indemnify any director or officer, or former director or officer, of the Corporation, to the fullest extent and manner permissible under the Act, the Non-Profit Act and the Texas Tort Claims Act. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation against any liability asserted against him and incurred by him in such capacity or arising out of this status as such a person to the fullest extent under the Act, the Non-Profit Act, and other applicable law.

**SECTION TEN**  
**EFFECTIVE DATE: AMENDMENTS**

**10.01. Effective Date.** These Amended and Restated Bylaws shall become effective upon the occurrence of the following events:

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

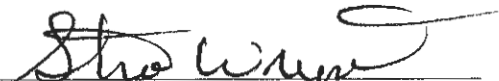
**10.02. Amendments.** These Bylaws may not be altered, amended or repealed and/or new Bylaws may not be adopted without the prior approval of the City council of the City of Lockney.

These Amended and Restated Bylaws of The Lockney Economic Development Corporation were approved and adopted at a meeting of the Board of The Lockney Economic Development Corporation held on the 7th day of April 2025.

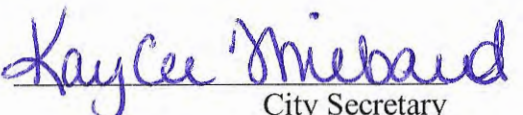
The Lockney Economic Development Corporation

  
Brent Barker, President

Approved and adopted at a meeting of the Lockney City Council held on the 13th day of May 2025.

  
Steve Wright, Mayor

Attest:

  
City Secretary