

**BYLAWS OF THE  
BROWNFIELD TYPE B ECONOMIC DEVELOPMENT CORPORATION,  
A NON-PROFIT CORPORATION**

These bylaws (the "**Bylaws**") govern the affairs of the Brownfield Type B Economic Development Corporation, a public instrumentality and a non-profit corporation (the "**Corporation**") created under Section 4B of the Development Corporation Act of 1979, Local Government Code, Subchapter A, Sections 501.001 and 505.001, et seq., as amended (the "**Act**").

**ARTICLE I  
PURPOSE AND POWERS**

**Section 1. Purpose.** The Corporation is incorporated for the purposes set forth in Article IX of its Certificate of Formation, the same to be accomplished on behalf of the City of Brownfield, Texas (the "**City**"), as its duly constituted authority and instrumentality in accordance with the Act.

**Section 2. Powers.** The Corporation shall have all the express and implied powers set forth and conferred in its Certificate of Formation, in the Act, and in other applicable law.

**ARTICLE II  
BOARD OF DIRECTORS**

**Section 1. Number and Terms of Office.**

- (a) The affairs of the Corporation shall be managed and controlled by a Board of Directors (the "**Board**", and each a "**Director**") and, subject to the restrictions imposed by law, the Certificate of Formation, the Act, and these Bylaws, the Board shall exercise all the powers of the Corporation.
- (b) The Board shall consist of seven Directors, each of whom shall be appointed by and serve at the pleasure of the City Council of the City of Brownfield (the "**Council**").
- (c) Seats on the Board shall be numbered "1" through "7". The Council appointed the Initial Directors at its December 5, 2024 Council meeting to begin serving on the Effective Date. Initial Directors in Seats 2, 4, and 6 are appointed for an initial term of one year each beginning on the Effective Date. Initial Directors in Seats 1, 3, 5, and 7 are appointed for an initial term of two years each beginning on the Effective Date. Thereafter, Directors are appointed for terms of two years each, with Seats 1, 3, 5, and 7 expiring in May of even numbered years and Seats 2, 4, and 6 expiring in May of odd numbered years.
- (d) No Director of the Board shall serve more than five consecutive full terms. A former Director can be reappointed after serving three full terms if one full calendar year has passed following completion of the former Director's last term.
- (e) Any director may be removed from office by the Council at will, with or without cause.
- (f) In the event of a vacancy on the Board, the City Council shall make an appointment to fill the

remainder of the unexpired term.

## **Section 2. Qualifications.**

(a) The City Council shall appoint the Directors of the Corporation.

1. A minimum of five of the Directors shall be persons who are not members of the City Council of Brownfield. Up to two Directors may be members of the City Council.

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

(c) Each Director shall have at least one of the following qualifications:

1. Experience in management or in an executive capacity.
2. Experience in the evaluation of financial and business records and projections.
3. Experience in economic development matters.
4. Education, training, or experience useful to the Corporation's purposes.

(d) Directors of the Board shall be:

A resident of the State of Texas and reside within Terry County;

## **Section 3. Resignations.**

(a) Director resignations shall be made in writing and shall take effect immediately upon receipt by the President or the Executive Director. The acceptance of a resignation shall not be necessary to make it effective unless expressly so provided in the resignation.

(b) 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 Article II, Section 1.

(c) If the Mayor or a City Councilperson of the City of Brownfield who has been appointed as a Director shall cease to be the Mayor or a member of the City Council of the City of Brownfield, such event shall constitute an automatic resignation as a Director and such vacancy shall be filled in the manner provided in Article II, Section 1.

## **Section 4. Meetings of Directors.**

(a) The Board shall have regular meetings of the Board every month, which shall be held at a date and time as determined by the President.

(b) The Board shall have special meetings of the Board at such times as the Board may determine and as is necessary to carry out its duties.

(c) The President, in consultation with the Vice-President and Executive Director, may call a special meeting of the Board. Additionally, a special meeting of the Board may be called by any four Directors.

(d) The Board shall hold its meetings at a suitable location as determined by the Board President.

(e) 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 consecutive regular or special meetings, or 66% of total meetings.

(f) Any Director may request an item be placed on the agenda by delivering the same in writing to the Executive Director no later than ten days prior to the date of the Board meeting.

### **Section 5. General Duties of the Board.**

(a) The Board shall recommend expenditures from the Type B Tax funds to City Council, in accordance with State law, the Certificate of Formation, and these Bylaws, for final approval and subsequent administration of certain economic development projects.

(b) The Board shall make a detailed report to the City Council once each year, no later than November 30 of each year. Such report shall include, but shall not be limited to, the following:

1. A review of all expenditures made by the Board in connection with their activities involving economic development, together with a report of all expenditures made by the Board.

2. A review of the accomplishments of the Board in the area of economic development.

3. The policies and strategy followed by the Board in relation to economic development, together with any new or proposed changes in said policies and strategy.

4. A review of the activities of the Board for the budget year addressed in an annual report, together with any proposed change in an activity as or activities relate to economic development.

(c) The Board shall make available to the Council the minutes of its meetings and reports of its finances.

### **Section 6. Open Meetings Act.**

All meetings and deliberations of the Board shall be called, convened, held and conducted, in accordance with the requirements of the Texas Open Meetings Act.

### **Section 7. Quorum.**

A majority of the Directors shall constitute a quorum for the conduct of official business 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 and of the Corporation, unless the act of a greater number is required by law or is otherwise required within these Bylaws. A Director may not vote by proxy.

### **Section 8. Conduct of Business.**

(a) At the meetings of the Board, matters pertaining to the business of the Corporation shall be considered in accordance with the rules of procedure as from time to time may be prescribed by the Board by resolution.

(b) At all meetings of the Board, the President shall preside and, in the absence of the President, in the order of availability, the Vice-President or the Secretary shall exercise the powers of the President.

### **Section 9. Committees of the Board.**

The Board may constitute from time to time committees of the Board that are deemed necessary or appropriate. No such committee shall have independent authority to act for or in the stead of the Board. Such committees shall report back to the Board.

### **Section 10. Compensation of Directors.**

Directors shall not receive any salary or compensation for their service as Directors. However, they may be reimbursed for their actual reasonable expenses incurred in the performance of their duties hereunder. The policy regulating payment of reasonable actual expenses incurred in performance of official duty shall be determined by the Board.

### **Section 11. Conflicts of Interest.**

The members of the Board of Directors are local public officials within the meaning of Texas Government Code Chapter 171. Directors shall follow and adhere to the requirements and limitations of Texas Local Government Code Chapter 171, as amended. 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, and the interested Director shall abstain from any vote or decision upon the matter.

The

Corporation shall not make a loan to a Director, Officer, or employee of the Corporation or to an Officer or employee of the City. Any Director may bring to the Board's attention any apparent or potential conflict of interest of any other Director in any transaction or matter coming before the Board for a decision. The Board of Directors shall decide on whether the Director has a conflict of interest before voting on the transaction or matter. The Director alleged to have the conflict of interest shall not vote on the determination of whether the conflict of interest exists.

### **Section 12. Gifts.**

The Board may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the general purposes or for any special purposes of the Corporation. Directors may not receive personal gifts valued above \$50.

### **Section 13. Board's Relationship with City Administration.**

Any request for service made to the administrative departments of the City shall be made by the Board or its designee to the City Manager. The City Manager may approve such request for assistance from the Board when the City Manager finds such requested services are available within the administrative departments of the City, provided their performance of such services does not materially interfere with other duties of such personnel of the City.

Any requests for legal assistance shall be made by the Board or its designee to the City Manager.

The City Manager will consult with the City Attorney and shall respond to the Corporation's request. The Corporation shall provide for the cost of legal services.

### **ARTICLE III OFFICERS AND EMPLOYEES**

#### **Section 1. Titles and Term of Office.**

- (a) The officers of the Corporation shall be a President, Vice-President, and Secretary. Any two offices may be held by the same person, except the office of President of the Board. Terms of office shall be one year with the right of an officer to be reelected; provided, however, that the officers continue to serve until the election of their successors.
- (b) Elections of the officers shall be held at the annual meeting of the Board.
- (c) All officers shall be subject to removal from office at any time by a vote of the majority of the Board.
- (d) A vacancy in the office of any officer shall be filled by a vote of the majority of the Board.
- (e) Neither the office of President or Vice-President may be held by the Mayor or a member of the City Council.

#### **Section 2. Powers and Duties of the President.**

The President of the Board shall:

- (a) Preside over all meetings of the Board.
- (b) Have the right to vote on all matters coming before the Board.
- (c) Have the authority to, upon 72 hours' notice to the Directors, call a special meeting of the Board, when in his or her judgment such meeting is required.
- (d) Have the authority to appoint ad hoc committees of the Board, which may address issues of a temporary nature or concern or which have a temporary effect on the business of the Board.
- (e) Have the authority to appoint advisory committees to the Board to further the overall development plan of the Board.
- (f) Sign with the co-signature of the Secretary, any document which the Board has approved, 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 provision of these Bylaws, or by statute.
- (g) In general, perform all duties incident to the office, and such other duties as shall be prescribed from time to time by the Board.

#### **Section 3. 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.

#### **Section 4. Secretary.**

The Secretary shall keep, or cause to be kept, the minutes of all proceedings of the Board and make a proper record of the same, which shall be attested by the Secretary. The Secretary shall perform such other duties as may be required by the Board.

#### **Section 5. Executive Director and Other Employees.**

- (a) The Executive Director, if any, shall be an employee of the City of Brownfield who shall be hired by the Board of Directors, subject to the approval of the City Council.
- (b) The Executive Director shall be subject to removal by the Board of Directors, with or without cause, following a request by either the Board or the City Council.
- (c) The Executive Director shall be subject to the direction of the Board, shall serve as Chief Executive Officer for the Corporation, and shall oversee all administrative functions of the Corporation.
- (d) The Corporation shall reimburse the City for all salary and benefits paid to the Executive Director.
- (e) Subject to the approval of the Board of Directors, the Corporation may employ additional full-time or part-time employees as needed to carry out the programs of the Corporation. If additional full-time or part-time employees are authorized by the Board of Directors, the Executive Director shall hire, direct, and control the work of all such employees of the Corporation. These employees shall perform those duties as are assigned to them.
- (f) The Executive Director and additional full or part-time employees shall be required to follow all Personnel Policies of the City of Brownfield.

### **ARTICLE IV**

#### **FUNCTIONAL CORPORATE DUTIES AND REQUIREMENTS**

##### **Section 1. Annual Corporate Budget.**

The Board shall cause to be prepared and shall submit to the City Council of the City, a budget for the forthcoming fiscal year, in accordance with the annual budget preparation schedule set forth by the City Manager. The budget shall be submitted to the City Manager for inclusion 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 and the City Council. No budget amendments shall become effective without City Council approval. No expenditures of funds shall be made unless such expenditure is provided for by the City Council approved budget of the Corporation.

##### **Section 2. Contracts for Service.**

- (a) 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.

(b) 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.

### **Section 3. Books, Records, and Audits.**

(a) The Corporation shall keep and properly maintain, in accordance with generally accepted accounting principles, complete books, records, accounts, and financial statements pertaining to its corporate funds, activities, and affairs.

(b) The Corporation shall cause its books, records, accounts, and financial statements to be audited at least once each fiscal year by an outside, independent auditing and accounting firm selected by the Council. Such audit shall be at the expense of the Corporation and shall be conducted in conjunction with the annual audit of the City's books and records.

(c) All books, records, accounts, and financial statements shall be kept and administered in accordance with the Texas Public Information Act, Chapter 552, Texas Government Code.

### **Section 4. Deposit and Investment of Corporate Funds.**

(a) All funds of the Corporation shall be deposited on a regular basis by bonded employees of the City who have been designated by the City Manager for that purpose, consistent with generally accepted accounting practices, in a local bank that is a depository of the City, which shall be federally insured and shall be selected following procedures and requirements for selecting a depository as set forth in Chapter 105 of the Local Government Code. All deposits shall be properly accounted for as deposits of the Corporation. All interest earned on funds of the Corporation shall be deposited to the account of the Corporation.

(b) Temporary and idle funds, which are not needed for immediate obligations of the Corporation, shall be maintained on deposit in the Corporation's depository, or may be invested in any other legal manner in compliance with the Public Funds Investment Act and the Investment Policy of the City.

(c) 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.

### **Section 5. Expenditures of Corporate Money.**

The monies of the Corporation, including sales and use taxes collected pursuant to the Act, monies derived from the repayment of loans, 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 the

Obligations to the purchasers thereof;

(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 the Act. The specific expenditures shall be described in a resolution or order of the Board, and shall be made only after the approval thereof by the City Council;

(c) 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 handled in compliance with the finance and payment policies, and applicable Codes, of the City of Brownfield, Texas, as amended from time to time.

### **Section 6. Issuance of Obligations.**

Any debt issuance issued by the Corporation shall be in accordance with the statute governing this

corporation, but in any event, no debt issuance shall be issued without approval of the City Council,

after review and comment by the City's bond counsel and financial advisor.

## **ARTICLE V MISCELLANEOUS PROVISIONS**

### **Section 1. Principal Office.**

(a) The principal office of the Corporation shall be located at such place in the City of Brownfield as determined by the Board.

(b) The Corporation shall have and shall continually designate a registered agent at its principal office, as required by the Act.

### **Section 2. Fiscal Year.**

The fiscal year of the Corporation shall be the same as the fiscal year of the City.

### **Section 3. Indemnification of Directors, Officers, and Employees.**

The 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 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 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.

**Section 4. Seal.**

The Board of Directors may provide for a corporate seal.

**Section 5. Legal Construction.**

These Bylaws shall be construed in accordance with the laws of the State of Texas.

**Section 6. Severability.**

If any provision or section of these Bylaws 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.

**Section 7. Amendments to Bylaws.**

The Bylaws may be altered, amended, or repealed by the Board of Directors with the consent of the City Council of the City.

**Section 8. Termination**

The Corporation may be terminated in the manner prescribed by law.

**ARTICLE VI  
EFFECTIVE DATE AND APPROVAL**

**Section 1. Effective Date.**

These Bylaws shall become effective upon the occurrence of the following events (the “**Effective Date**”):

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

**Section 2.**

These Bylaws of the Brownfield Type B Economic Development Corporation were approved and

adopted at a meeting of the Board of Directors of the Brownfield Type B Economic Development

Corporation, held on the 23rd day of March, 2026.

Brownfield Type B Economic

Development Corporation

/s/ Kelly Riley

Kelly Riley, President

Approved and adopted at a meeting of the City Council held on the 2nd day of April, 2026.

/s/ Eric Horton

Eric Horton, Mayor

Attest:

/s/Kelly Burris

Kelly Burris, City Secretary