

BYLAWS
OF
THE ECONOMIC DEVELOPMENT CORPORATION OF WESLACO
A NON-PROFIT CORPORATION
WESLACO, TEXAS

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SECTION I
OFFICES

1.01 Registered Office and Registered Agent

THE ECONOMIC DEVELOPMENT CORPORATION OF WESLACO (hereinafter referred to as "the Corporation") shall have and continuously maintain in the State of Texas a registered office, and registered agent whose office is identical with such registered office, as required by the Development Corporation Act (Texas Local Government Code, Chapters 501, et seq.) and 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 500 S. Kansas 305 W. Railroad St., Weslaco, Texas 78596, and such address is the office address of the Corporation.

1.02 Principal Office

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

SECTION II
PURPOSES

The Corporation is a non-profit corporation specifically governed by the Texas Development Corporation Act, as amended, Texas Local Government Code, Chapters 501, et seq

(hereinafter referred to as "the Development Corporation Act"). The purpose of the Corporation is to promote, assist, and enhance economic and industrial development in accordance with the Articles of Incorporation.

SECTION III 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 Weslaco in the manner provided in Article VI of the Articles of Incorporation, as from time to time amended, and subject to applicable limitations imposed by the Development Corporation Act, the Texas Non-Profit Corporation Act, the Texas Business Corporation Act, the Articles of Incorporation, or these Bylaws, as each are from time to time amended. 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 attorneys to agents of the Corporation to transact any special business requiring such authorization.

The Board may plan and direct its work through the Executive Director of the Corporation, who will be charged with the responsibility of carrying out the programs as adopted and planned by the Board.

4.02 Number and Qualifications

The authorized number of Directors of this Board shall be seven (7), appointed in the manner provided in Article VI of the Articles of Incorporation.

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 One Hundred Thousand Dollars (\$100,000.00) or in such other greater amount as determined time to time by resolution of the Board. 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 shall be paid by the Corporation. A copy of each officer's' bond shall be filed with the City Secretary.

4.04 Powers of the Corporation

The Corporation shall have and exercise all of the rights, powers, privileges, authority, and functions given by the general laws of Texas to nonprofit corporations incorporated under the Texas Non-Profit Corporation Act, as amended (Article 1396-1.01, et seq., Vernon's Texas Civil Statutes) and such powers given by the Development Corporation Act, as amended

4.05 General Duties of the Board

The Board is hereby required to perform the following duties:

- 1., The Board shall develop an overall economic and industrial development strategy for the cCity of Weslaco.
2. The Corporation's focus will be primarily in the areas of:
 - a. Business retention and expansion;
 - b. Formation of new businesses;
 - c. Business attraction; and
 - d. The enhancement of community assets to promote economic development.
3. Assurance of accountability for all sales tax funds and all other funds received and expended by the Corporation.
4. The Board may employ or contract such personnel as may be necessary to discharge the Corporation's assigned duties.

5. The Corporation shall make reports to the City Commission of Weslaco to include a review of revenues received by the Corporation from the City of Weslaco.

4.06 Implied Duties

The Corporation is authorized to do that which the Board deems desirable to accomplish any of the powers or duties set out or alluded to in Sections 4.04 and 4.05 of these Bylaws and in accordance with State law.

4.07 Meetings

Regular meetings of the Board shall be held once each month at a time to be determined by resolution of the Board with the meeting held in November of each year to be designated as the annual meeting of the Board. Special meetings of the Board shall be held on the written request of any two (2) Directors at the time contained in such request subject to compliance with the Texas Open Meetings Act. All meetings of the Board shall be held at the principal office of the Corporation unless otherwise designated by resolution of the Board; provided however, all meetings shall be held at a place in compliance with the provisions of applicable state law. Notice of all meetings shall be posted and all meetings shall be conducted in accordance with the requirements of the Texas Open Meetings Act as amended.

4.08 Attendance

Regular attendance at the Board meetings is required of all Directors. Attendance reflecting absences constituting 50% of the meetings over a 12-month period may shall constitute good cause for the Board to recommend the need for replacement of any such Director to the City Commission; provided however, the determination to remove such Director is vested in the City Commission.

4.09 Quorum

For the purpose of convening a meeting, and transacting business, a quorum shall consist of four (4) Directors. In addition to such quorum requirement, any action taken by the Board shall require the affirmative vote of the four (4) Directors.

4.10 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.

4.11 Voting; Action of the Board of Directors

Directors must be present in order to vote at any meeting. 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. Determination of a conflict of interest shall be made in accordance with Chapter 171, Texas Local Government Code.

4.12 Board's Relationship with City Commission

In accordance with State law, the City Commission shall require that the Board be responsible to it for the proper discharge of its duties assigned under the Articles of Incorporation, these Bylaws and other applicable laws. 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.

SECTION V
OFFICERS

5.01 Officers

The elected officers of the Corporation shall be a President, Vice-President, Secretary, and Treasurer. Such officers shall have the authority and perform the duties of the office as the Board may from time to time prescribe. Any two (2) or more offices may be held by the same person, except the office of the President and Secretary. All elected officers shall be members of the Board of Directors.

5.02 Selection of Officers

All officers shall be elected by the Board and shall serve a term of one (1) year; provided, however, that all officers continue to serve until the election of their successors. Elections shall be held at the annual meeting of the Board or as soon as possible thereafter.

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 by the Board.

5.04 President

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

1. Shall preside over all meetings of the Board.
2. Shall have the right to vote on all matters coming before the Board.
3. Shall have the authority to appoint sub-committees of the Board to aid and assist the Board in its business undertakings or other matters incidental to the operation and functions 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 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. 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 or the Board.

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 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. The Secretary shall also perform other duties as from time to time may be assigned to him or her by the President or the Board.

5.07 Treasurer

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 monies 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 VII of by these 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 or the Board.

5.08 Executive Director

The Executive Director shall develop policies and procedures for the Corporation, including, but not limited to, economic development strategies and financial, accounting, and purchasing policies and procedures to be approved by the Board.

5.09 Other Employees

The Executive Director may employ such full or part-time employees as needed to carry out the programs of the Corporation in accordance with the Budget as approved by the Board of Directors. These employees shall perform those duties as are assigned to them by the Executive Director of the Corporation. The Executive Director of the Corporation shall hire, direct, and control the work of all Corporation employees.

5.10 Contracts for Service

The Corporation may contract with any qualified and appropriate person or association, designated tasks that will aid or assist the Corporation 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 imposed upon the Board by the Articles of Incorporation, these Bylaws or applicable law.

SECTION VI FINANCIAL ADMINISTRATION

The Corporation's financing and accounting records shall be maintained according to the following guidelines.

6.01 Fiscal Year

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

6.02 Budget

A budget for the forthcoming fiscal year shall be submitted to, and approved by, the Board of Directors, and the City Commission. The budget proposed for adoption shall include the projected operating revenue and expenses, estimated year end fund balances, encumbered funds and such other information as shall be useful to or appropriate for the Board of Directors and the City Commission.

6.03 Contracts

As provided in Article V above, the President and Secretary shall execute any contracts or other instruments which the Board has approved 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 Executive Director of the Corporation, to enter into contracts or execute and deliver any instrument in the name and on behalf of the Corporation. Notwithstanding anything to the contrary herein contained, the Corporation shall not make any commitment to disburse or for disbursement of any funds for any one project in excess of (a) 10% of the total gross annual revenues of the Corporation or (b) \$100,000.00, whichever is greater, without prior approval of the City Commission.

6.04 Checks and Drafts

All checks, drafts, or orders for the payment of money, notes, or other evidence of indebtedness issued in the name of the Corporation shall be signed by any two (2) of the following: the President, Vice-President, Secretary, Treasurer or Executive Director.

6.05 Deposits

All funds of the Corporation shall be deposited on a regular basis to the credit of the Corporation in the Corporation's account in the City of Weslaco's depository bank or any other financial institution as specifically authorized from time to time by the City Commission.

6.06 Gifts

Corporation may, but shall not be obligated to, accept any contribution, gift, bequest, or devise for the general purpose or for any special purposes of the Corporation. No such offered gift shall be deemed accepted until an appropriate resolution of the Board is approved in accordance with the requirements of law.

6.07 Purchasing

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

6.08 Investments

Temporary and idle funds which are not needed for immediate obligations of the Corporation may be invested in any legal manner provided in Chapter 2256 of the Texas Government Code (Public Funds Investment Act).

6.09 Bonds

Any bonds issued by the Corporation shall be in accordance with the statutes governing this Corporation, but in any event, no bonds shall be issued without prior approval of the City Commission after review and comment by the City's financial advisor, and if deemed necessary, the City's bond counsel.

6.10 Uncommitted Funds

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

SECTION VII
BOOKS AND RECORDS

7.01 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. 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 Public Information 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, according to generally accepted accounting principles. A copy of such audits shall be delivered to the City Commission.

7.02 Monthly Reports

The Corporation shall provide monthly reports to the City Commission on all on-going activities and projects of the Corporation.

SECTION VIII
SEAL

The Board of Directors shall obtain a corporate seal which that shall bear the words "THE ECONOMIC DEVELOPMENT CORPORATION OF WESLACO"; 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 IX
PROGRAM

9.01 Authorization

The Corporation shall carry out its program subject to its Articles of Incorporation, and these Bylaws, and applicable law and pursuant to such resolutions as the Board may from time to time authorize.

9.02 Program

The program of the Corporation shall be to assist, stimulate, and enhance economic and industrial development in Weslaco, Texas, subject to applicable state and federal law, these Bylaws, and the Articles of Incorporation.

SECTION X
AMENDMENT OF BYLAWS

These Bylaws may be amended or repealed and new Bylaws may be adopted by an affirmative vote of five (5) Directors at a meeting of the Board, provided that at least ten (10) days prior to the meeting, written notice setting forth the proposed action shall have been given to each of the Directors, and public notice regarding such action given according to the requirements of the Texas Open Meetings Act.

Notwithstanding the foregoing, no amendment shall become effective unless the City Commission approves the amendment.

SECTION XI
DISSOLUTION

On petition of fifteen (15) percent or more of the registered voters of the City of Weslaco requesting an election on the dissolution of the Corporation, the City Commission shall order an election on the issue. The election must be conducted according to the applicable provisions of the Election Code. The ballot for the election shall be printed to provide for voting for or against the proposition:

“Dissolution of THE ECONOMIC DEVELOPMENT CORPORATION OF WESLACO.”

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 dissolved in accordance with the requirements of law.

SECTION XII INDEMNITY

The Board of Directors shall authorize the Corporation to pay or reimburse any current or former Director, Officer or agent 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 individually made a party by reason of holding such position; provided, however, that such person 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.

Furthermore, the Corporation agrees to indemnify and hold harmless and defend the City of Weslaco, 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.

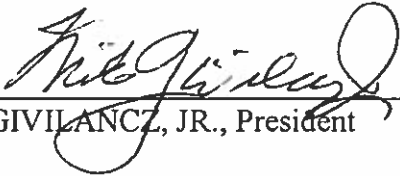
The Corporation further agrees that it shall at all times exercise reasonable precautions on behalf of, and be solely responsible for, the safety of its officers, agents, employees, licensees, invitees, and other persons, as well as their property, while in the vicinity where activities are being performed. It is expressly understood and agreed that City of Weslaco 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 Weslaco and Corporation will provide the other prompt and timely notice of any event covered which in any way, directly or indirectly, contingent or otherwise, affects or might affect the Corporation or City of Weslaco, and City of Weslaco shall have the right to compromise and defend the same to the extent of its own interests. It is further agreed this indemnity clause shall be an additional remedy to City of Weslaco and not an exclusive remedy.

SECTION XIII MISCELLANEOUS

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

Adopted and Approved by the Board of Directors of the Corporation in accordance with the requirements of law and these Bylaws on this the 31st day of March, 2010.



MIKE GIVILANCZ, JR., President



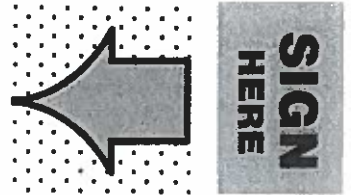
JOHNNY BAUTISTA, Secretary-Treasurer

APPROVAL BY CITY OF WESLACO

The Bylaws of THE ECONOMIC DEVELOPMENT CORPORATION OF WESLACO as set forth above have been and are hereby approved by the City Commission of the City of Weslaco in accordance with the requirements of law.

EXECUTED the ____ day of _____, 2010.

CITY OF WESLACO



By: _____
BUDDY DE LA ROSA, Mayor

ATTEST:

AMANDA ELIZONDO, City Secretary

APPROVED:

RAMON VELA, City Attorney

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