

**BYLAWS
OF
AUSTIN REGENERATION FUND**

ARTICLE I

PURPOSES

The Austin Regeneration Fund (the “Corporation”) was formed pursuant to the provisions of the Texas Nonprofit Corporation Law, Chapter 22, Business Organizations Code, Section 22.01, et seq. (“the Act”). The Corporation is organized for the purpose of aiding, assisting, and acting on behalf of the City of Austin, Texas, a home rule municipality (the “City”) in the performance of its governmental functions to promote the common good and general welfare of the City, including, without limitation, for the benefit of, and to assist in carrying out the economic development program and objectives of the City by generating private investment capital through the New Markets Tax Credit Program (the “N.M.T.C. Program”) to be made available for investment in Low Income Communities (as defined in the law and regulations governing the N.M.T.C. Program, which include Section 45D of the Internal Revenue Code of 1986, as amended, or any corresponding provision or provisions of succeeding law (the “Code”), and the temporary and/or final regulations promulgated under the Code and any guidance, rule or procedure published by the United States Treasury Department’s Community Development Financial Institution Fund (the “CDFI Fund”) (the “Treasury Regulations and Guidance”).

In order to fulfill this purpose, and as required by the N.M.T.C Program, the Corporation shall (a) apply to the CDFI Fund for designation as a qualified community development entity (“Community Development Entity”); (b) apply to the CDFI Fund for one or more allocations of tax credits under the N.M.T.C. Program; (c) in the event the Corporation receives an allocation of tax credits under the N.M.T.C. Program, transfer all or a portion of such allocation to one (1) or more for-profit subsidiaries established by the Corporation in accordance with the regulations governing the N.M.T.C. Program for purposes of (i) making qualified low-income community investments in the service area as defined in the application for certification as a Community Development Entity, or (ii) engaging in other activities which qualify under the N.M.T.C. Program; and (d) perform such ongoing asset management, servicing, compliance, and other related functions as necessary to maintain these investments in good standing and ensure compliance with the rules and objectives of the N.M.T.C. Program.

At least sixty percent (60%) of the Corporation’s products and services shall be directed to individuals having incomes, adjusted for family size, of not more than (1) for non metropolitan areas, eighty percent (80%) of the statewide median family income; and (2) for metropolitan areas, the greater of (a) eighty percent (80%) of the statewide median family income or (b) eighty percent (80%) of the metropolitan area median family income (“Low Income Persons”); to individuals, businesses or organizations located in Low Income Communities; or to other organizations that serve Low Income Persons or residents of Low Income Communities. The following are examples of such activities that will be included in satisfying the 60% threshold:

(a) Investing in, lending to, or providing technical assistance to, businesses that are located in Low Income Communities and/or are owned by Low Income Persons;

(b) Lending to Low Income Persons or residents of Low Income Communities;

(c) Investing in or providing loans to qualified commercial properties and businesses that are located in Low Income Communities; or

(d) Investing in, lending to or providing technical assistance to organizations (e.g., other Community Development Entities or Community Development Financial Institutions) engaged in activities that promote community development.

The Corporation shall have and exercise all of the rights, powers, privileges, authority, and functions given by the general laws of the State of Texas to nonprofit corporations incorporated under the Act. The Corporation shall have all other powers of a like or different nature not prohibited by law which are available to nonprofit corporations in Texas and which are necessary or useful to enable the Corporation to perform the purposes for which it is created, including the power to issue bonds, notes or other obligations, and otherwise exercise its borrowing power to accomplish the purposes for which it was created.

The Corporation is organized exclusively for charitable, religious and educational purposes as defined in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code") or corresponding section of any future United States Internal Revenue law. Notwithstanding any other provision of this Certificate of Formation, the Corporation will not carry on any other activities not permitted to be carried on by (i) a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, or the corresponding provision of any future United States Internal Revenue law, or (ii) a corporation, contributions to which are deductible under Section 170(c)(2) of the Code, or the corresponding provision of any future United States Internal Revenue law.

ARTICLE II

BOARD OF DIRECTORS

Section 1. *Appointment, Powers, Number, Eligibility, and Term of Office.* All powers of the Corporation shall be vested in a Board of Directors (the "Board") consisting of three (3) persons (each a "Director") who shall be appointed by the City's City Manager. Each initial Director shall serve for the term expiring on the date set forth in the Corporation's Certificate of Formation. Subsequent Directors shall be appointed by the City's City Manager. Each subsequent Director shall serve for a term of three (3) years or until his or her successor is appointed by the City's City Manager, unless such Director has been appointed to fill an unexpired term, in which case the term of such Director shall expire on the expiration date of the term of the Director who he or she was appointed to replace. Directors shall be eligible for reappointment. Any Director may be removed from office at any time, with or without cause, by the City's City Manager. To be eligible to serve as a Board Director, a person must be a resident of the City and at least eighteen (18) years of age.

Section 2. *Meetings of Directors.* The Directors may hold their meetings and may have an office and keep the books of the Corporation at the City Hall, or such other place or places within the City as the Board may from time to time determine. The Board shall meet in accordance with and file notice of each meeting of the Board for the same length of time and in the same manner and location as is required of a City under Chapter 551, Government Code (the "Open Meetings Act"). The Corporation and the Board are subject to Chapter 552, Government Code (the "Public Information Act").

Section 3. *Annual Meetings.* The annual meeting of the Board shall be held at the time and at the location in the City designated by the resolution of the Board for the purposes of transacting such business as may be brought before the meeting.

Section 4. *Regular Meetings.* Regular meetings of the Board shall be held at such times and places as shall be designated, from time to time, by resolution of the Board.

Section 5. *Special and Emergency Meetings.* Special and emergency meetings of the Board shall be held whenever called by the President of the Corporation or by a majority of the Directors who are serving duly appointed terms of office at the time the meeting is called.

The President or Secretary shall give notice of each special meeting in person, by telephone, electronic transmission (e.g., facsimile transmission or electronic mail) or mail at least three (3) days before the meeting to each Director. Notice of each special or emergency meeting shall also be given in the manner required of the City under the Open Meetings Act. Unless otherwise indicated in the notice thereof, any and all matters pertaining to the purposes of the Corporation may be considered and acted upon at a special or emergency meeting.

Section 6. *Quorum.* A majority of the Directors serving on the Board shall constitute a quorum for the consideration of matters pertaining to the purposes of the Corporation. If, at any meeting of the Board there is less than a quorum present, a majority of those present may adjourn the meeting from time to time. The act of a majority of the Directors present and voting at a meeting at which a quorum is in attendance shall constitute the act of the Board, unless the act of a greater number is required by law, by the Certificate of Formation, or by these Bylaws.

Section 7. *Conduct of Business.* At the meetings of the Board, matters pertaining to the purposes of the Corporation shall be considered in such order as from time to time the Board may determine. At all meetings of the Board, the President shall preside, and in the absence of the President, the Vice President shall preside. In the absence of the President and the Vice President, an acting presiding officer shall be chosen by the Board from among the Directors present. The Secretary of the Corporation shall act as secretary of all meetings of the Board, but in the absence of the Secretary, the presiding officer may appoint any person to act as secretary of the meeting.

A Director who is present at a meeting of the Board at which any corporate action is taken shall be presumed to have assented to such action, unless his or her dissent shall be entered in the minutes of the meeting or unless he or she shall file a written dissent to such action with

the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of the action.

Section 8. *Compensation of Directors.* Directors, as such, shall not receive any salary or compensation for their services as Directors.

Section 9. *Director's Reliance on Consultant Information.* A Director shall not be liable if while acting in good faith and with ordinary care, the Director relies on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Corporation or another person or entity that were prepared or presented by: (a) one or more other officers or employees of the Corporation; or (b) legal counsel, public accountants, or other persons as to matters the officer reasonably believes are within the person's professional or expert competence.

ARTICLE III

COMMUNITY ACCOUNTABILITY - ADVISORY BOARD

Section 1. *Appointment, Powers, Number, Eligibility, and Term of Office.* The Corporation shall maintain an "advisory board" as such term is used in the Code and the Treasury Regulations and Guidance thereunder (the "Advisory Board") for the purposes of (i) proposing rules and regulations to the Board, and (ii) meeting with the Board and advising it with respect to strategies to achieve the Corporation's principal purpose consistent with the provisions of Article II hereof and accountability to residents of Low Income Communities. The Advisory Board shall serve solely in an advisory capacity and shall have no authority to take any action by or on behalf of the Corporation.

Subject to the provisions of the Code and the Treasury Regulations and Guidance thereunder, at the first regular or special meeting of the Corporation following the filing of the Certificate of Formation with, and acceptance of same by, the Texas Secretary of State, the Board shall establish the Advisory Board and appoint a minimum of five (5) members of the Advisory Board. To be eligible to serve as an Advisory Board member, a person must be a resident of the City and at least eighteen (18) years of age.

Advisory Board members shall be appointed by vote of a majority of the Directors present and qualified to vote at the meeting. Advisory Board members shall serve for a term the longer of two (2) years from the date of such appointment or until his or her successor is appointed as described in this Article, unless such Advisory Board member has been appointed to fill an unexpired term. Advisory Board positions shall be re-filled by majority vote of the Directors present and qualified to vote at the meeting. Advisory Board members shall be eligible for reappointment; provided however that no Advisory Board Member may serve for longer than six (6) years consecutively, unless such service is required to complete an unexpired term. Advisory Board members shall be subject to removal by vote of a majority of the Directors present and qualified to vote at the meeting, and any Advisory Board Member may be removed

from office at any time, with or without cause, by the City's City Manager; provided, however, that at all times not less than fifty percent (50%) of the members serving on the Advisory Board shall consist of individuals who are, or who otherwise represent the interests of, residents of Low Income Communities in accordance with Section 45D(c)(1)(B) of the Code and the Treasury Regulations and Guidance thereunder.

Section 2. *Meetings of Advisory Board.* The Advisory Board may hold their meetings and may have an office and keep the books of the Advisory Board at the City Hall, or such other place or places within the City as the Advisory Board may from time to time determine. A representative of the Board shall be present in person or via telecommunication at each meeting. The Advisory Board shall meet in accordance with and file notice of each meeting of the Board for the same length of time and in the same manner and location as is required of a City under Chapter 551, Government Code (the "Open Meetings Act"). The Advisory Board is subject to Chapter 552, Government Code (the "Public Information Act").

Section 3. *Annual Meetings.* The annual meeting of the Advisory Board shall be held at the time and at the location in the City designated by the resolution of the Advisory Board for the purposes of transacting such business as may be brought before the meeting.

Section 4. *Regular Meetings.* Regular meetings of the Advisory Board shall be held at such times and places as shall be designated, from time to time, by resolution of the Advisory Board.

Section 5. *Special and Emergency Meetings.* Special and emergency meetings of the Advisory Board shall be held whenever called by the Board or by any member of the Advisory Board.

The Executive Director (as defined below) of the Corporation shall give notice of each Advisory Board special meeting in person, by telephone, electronic transmission (e.g., facsimile transmission or electronic mail) or mail at least three (3) days before the meeting to each Advisory Board member. Notice of each emergency meeting shall also be given in the manner required of the City under the Open Meetings Act. Unless otherwise indicated in the notice thereof, any and all matters pertaining to the purposes of the Corporation may be considered and acted upon at a special or emergency meeting.

Section 6. *Quorum.* A majority of the Advisory Board shall constitute a quorum for the consideration of matters pertaining to the purposes of the Corporation. If, at any meeting of the Advisory Board there is less than a quorum present, a majority of those present may adjourn the meeting from time to time. The act of a majority of the Advisory Board present and voting at a meeting at which a quorum is in attendance shall constitute the act of the Advisory Board, unless the act of a greater number is required by law, by the Certificate of Formation, or by these Bylaws.

Section 7. *Conduct of Business.* At the meetings of the Advisory Board, matters pertaining to the Corporation projects shall be considered. The Executive Director of the Corporation (as defined below) shall preside at all meetings of the Advisory Board. In the

absence of the Executive Director, an acting presiding member shall be chosen by the Advisory Board from among the members of the Advisory Board present.

Section 8. *Compensation of Advisory Board.* Members of the Advisory Board, as such, shall not receive any salary or compensation for their services as members of the Advisory Board.

Section 9. *Advisory Board's Reliance on Consultant Information.* A member of the Advisory Board shall not be liable if while acting in good faith and with ordinary care, the Advisory Board member relies on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Corporation or another person that were prepared or presented by: (a) one or more other officers or employees of the Corporation; or (b) legal counsel, public accountants, or other persons as to matters the officer reasonably believes are within the person's professional or expert competence.

ARTICLE IV

OFFICERS

Section 1. *Titles and Term of Office.* The officers of the Corporation shall be the President, the Vice President, the Secretary, the Treasurer, and such other officers as the Board may from time to time elect. One person may hold more than one office, except that one person shall not concurrently hold the offices of President and Secretary or the offices of Vice President and Secretary. The term of office for each officer shall be the longer of two (2) years or until removal through resignation or a vote of the Directors except as noted below. Officers may be re-elected.

Section 2. *Powers and Duties of the President.* The President shall be a Director and shall preside at all meetings of the Board. The President shall be the principal executive officer of the Corporation and, subject to the Board, he or she shall be in general charge of the properties and affairs of the Corporation. In furtherance of the purposes of the Corporation and subject to the limitations contained in the Certificate of Formation, the President or Vice President may sign and execute all bonds, notes, deeds, conveyances, franchises, assignments, mortgages, notes, contracts and other obligations in the name of the Corporation. The President shall have such other duties as are assigned by the Board. The President may call special and emergency meetings of the Board as provided in these Bylaws.

Section 3. *Powers and Duties of the Vice President.* The Vice President shall be a Director. The Vice President shall perform the duties and exercise the powers of the President upon the President's death, absence, disability, or resignation, or upon the President's inability to perform the duties of his or her office. Any action taken by the Vice President in the performance of the duties of the President shall be conclusive evidence of the absence or inability to act of the President at the time such action was taken. A Vice President shall have such other powers and duties as may be assigned to him or her by the Board or the President.

Section 4. *Treasurer.* The Treasurer shall have custody of all the funds and

securities of the Corporation which come into his or her hands. When necessary or proper, he or she may endorse, on behalf of the Corporation, for collection, checks, notes and other obligations and shall deposit the same to the credit of the Corporation in such bank or banks or depositories as shall be designated in the manner prescribed by the Board; he or she may sign all receipts and vouchers for payments made to the Corporation, either alone or jointly with such other officer as is designated by the Board; whenever required by the Board, he or she shall render a statement of his or her cash account; he or she shall enter or cause to be entered regularly in the books of the Corporation to be kept by him or her for that purpose full and accurate accounts of all moneys received and paid out on account of the Corporation; he or she shall perform all acts incident to the position of Treasurer subject to the control of the Board; and he or she shall, if required by the Board, give such bond for the faithful discharge of his or her duties in such form as the Board may require. The Treasurer need not be a Director.

Section 5. *Secretary.* The Secretary shall keep or cause to be kept the minutes of all meetings of the Board in books provided for that purpose; he or she shall attend to the giving and serving of all notices; in furtherance of the purposes of the Corporation and subject to the limitations contained in the Certificate of Formation, he or she may sign with the President in the name of the Corporation and/or attest the signatures thereof, all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments of the Corporation; he or she shall have charge of the Corporation's books, records, documents and instruments, except the books of account and financial records and securities of which the Treasurer shall have custody and charge, and such other books and papers as the Board may direct, all of which shall at all reasonable times be open to the inspection of any Director upon application at the office of the Corporation during business hours; and, he or she shall in general perform all duties incident to the office of Secretary subject to the control of the Board. The Secretary need not be a Director. The Secretary's term shall be perpetual, until replaced.

Section 6. *Staff.* The Deputy Director of the City's Economic Growth and Redevelopment Services Office (EGRSO) or the designee thereof shall initially serve as the Executive Director of the Corporation (the "Executive Director"). The EGRSO shall provide administrative support services for the Corporation, and shall perform duties as prescribed by the Board and the City Council. Staff functions for the Corporation may be performed by City staff, as directed by the City Manager, and the Corporation shall pay the costs for such services as from time to time shall be billed to the Corporation by the City pursuant to a written agreement between these parties. City staff may retain third party registered agent services to facilitate maintenance of the Corporation in good standing.

Section 7. *Compensation.* Officers, as such, shall not receive any salary or compensation for their services as Officers.

Section 8. *Officer's Reliance on Consultant Information.* In the discharge of a duty imposed or power conferred on an officer of the Corporation, the officer may in good faith and with ordinary care rely on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Corporation or another person, which were prepared or presented by: (a) one or more other officers or employees of the Corporation, including members of the Board; or (b) legal counsel, public accountants, or other persons as to

matters the officer reasonably believes are within the person's professional or expert competence.

ARTICLE V

INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 1. *Right to Indemnification.* Subject to the limitations and conditions as provided in this Article V and the Certificate of Formation, each person who was or is made a party or is threatened to be made a party to or is involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative or investigative (hereinafter a "proceeding"), or any appeal in such a proceeding or any inquiry or investigation that could lead to such a proceeding, by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a Director or officer of the Corporation or while a Director or officer of the Corporation is or was serving at the request of the Corporation as a director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise shall be indemnified by the Corporation to the fullest extent permitted by the Act, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment) against judgments, penalties (including excise and similar taxes and punitive damages), fines, settlements and reasonable expenses (including, without limitation, attorneys' fees) actually incurred by such person in connection with such proceeding, and indemnification under this Article V shall continue as to a person who has ceased to serve in the capacity which initially entitled such person to indemnity hereunder. The rights granted pursuant to this Article V shall be deemed contract rights, and no amendment, modification or repeal of this Article V shall have the effect of limiting or denying any such rights with respect to action taken or proceedings arising prior to any such amendment, modification or repeal. It is expressly acknowledged that the indemnification provided in this Article V could involve indemnification for negligence or under theories of strict liability.

Section 2. *Indemnification of Employees and Agents.* The Corporation, by adoption of a resolution of the Board, to the extent that such resources are available, may indemnify and advance expenses to a Director or officer of the Corporation; and the Corporation may indemnify and advance expenses to persons who are not or were not Directors, officers, employees or agents of the Corporation but who are or were serving at the request of the Corporation as a Director, officer, partner, venture proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, or other enterprise against any liability asserted against him or her and incurred by him or her in such a capacity or arising out of his or her status as such a person.

Section 3. *Appearance as a Witness.* Notwithstanding any other provision of this Article V, the Corporation may pay or reimburse expenses incurred by a Director or officer in connection with his or her appearance as a witness or other participation in a proceeding involving the Corporation or its business at a time when he or she is not a named defendant or

respondent in the proceeding.

Section 4. *Non-Exclusivity of Rights.* The right to indemnification and the advancement and payment of expenses conferred in this Article V shall not be exclusive of any other right which a Director or officer or other person indemnified pursuant to Section 3 of this Article V may have or hereafter acquire under any law (common or statutory), provision of the Certificate of Formation of the Corporation or these Bylaws, agreement, vote of disinterested Directors or otherwise.

Section 5. *Insurance.* The Corporation may purchase and maintain insurance, at its expense, to protect itself and any person who is or was serving as a Director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a Director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, proprietorship, trust or other enterprise against any expense, liability or loss, whether the Corporation would have the power to indemnify such person against such expense, liability or loss under this Article V.

Section 6. *Notification.* Any indemnification of or advance of expenses to a Director or officer in accordance with this Article V shall be reported in writing to the Directors with or before the notice of the next regular meeting of the Board and, in any case, within the 12-month period immediately following the date of the indemnification or advance.

Section 7. *Savings Clause.* If this Article V or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify and hold harmless each Director, officer or any other person indemnified pursuant to this Article V as to costs, charges and expenses (including attorneys' fees), judgments, fines and in amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative, to the full extent permitted by any applicable portion of this Article V that shall not have been invalidated and to the fullest extent permitted by applicable law.

ARTICLE VI

MISCELLANEOUS PROVISIONS

Section 1. *Fiscal Year.* The fiscal year of the Corporation shall be the same as the City.

Section 2. *Seal.* The seal of the Corporation shall be such as from time to time may be approved by the Board.

Section 3. *Notice and Waiver of Notice.* Whenever any notice whatever is required to be given under the provisions of these Bylaws, such notice shall be deemed to be sufficient if given by depositing the same in a post office box in a sealed postpaid wrapper addressed to the person entitled thereto at his or her post office address, as it appears on the books of the Corporation, and such notice shall be deemed to have been given on the day of such mailing. A

waiver of notice, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

Section 4. *Resignations.* Any Director or officer may resign at any time. Such resignations shall be made in writing and shall take effect at the time specified therein, or, if no time is specified, at the time of its receipt by the President or Secretary. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

Section 5. *Gender.* References herein to the masculine gender shall also refer to the feminine in all appropriate cases, and vice versa.

Section 6. *Appropriations and Grants.* The Corporation shall have the power to request and accept any allocation, appropriation, grant, contribution, donation, or other form of aid from the federal government, the State, any political subdivision, or municipality in the State, or from any other source.

ARTICLE VII

CODE OF ETHICS

The Board of Directors shall adhere to the Code of the City of Austin, Title 2 (Administration), Chapter 2-7 (Ethics and Financial Disclosure), Article 4 (Code of Ethics).

ARTICLE VIII

AMENDMENTS

A proposal to alter, amend, or repeal these Bylaws shall be made by the affirmative vote of a majority of the full Board at any annual or regular meeting, or at any special meeting if notice of the proposed amendment is contained in the notice of said special meeting.

ADOPTED BY VOTE OF THE BOARD OF DIRECTORS: June 17, 2011.