BYLAWS OF THE
ESPERANZA DISTRICT LOCAL GOVERNMENT CORPORATION, INC.

A Texas Non-Profit Local Government Corporation created by and on behalf of Dallas County, Texas (hereinafter the "County").

ARTICLE I
Corporate Purpose and Authority

1.01 *Purpose.* The Corporation is organized for the purpose of aiding, assisting, and acting on behalf of the County and Dallas County Health and Human Services such that:

A. Services provided by the County will benefit students and families zoned to area schools;
B. Seek strong community support for neighborhood services via reciprocal commitment and support from the area School District;
C. Seek community involvement in providing services to those in need in order to ultimately improve educational opportunities and programs and provide an investment in the area;
D. Services provided by the County will be provided for the betterment of the area and its students, as well as the neighboring community.

Subject to applicable state law and any contractual obligations of the County, or this Corporation, the County may discontinue participation in the activities of this Corporation. This Corporation, with prior consent of the County, or as may be provided in these Bylaws, shall have the following powers to carry out the purposes of the Corporation, by and through its Directors:

A. This Corporation shall have the authority to construct, develop, own, operate, lease, dispose, and maintain buildings, facilities, real, and personal property.
B. Appoint an Executive Director and employ persons to carry out the purposes of this Corporation;
C. Appoint a Secretary for this Corporation;
D. Issue debt or enter into and administer other contractual obligations to carry out the purposes of this Corporation;
E. Contract with other political subdivisions and any other governmental units or agencies at the local, state, and federal levels of government, and other persons and non-governmental entities; and
F. The Corporation shall have the power to request and accept any appropriations, grant, contribution, donation, or other form of aid from the federal government, the State, any political subdivision in the State, or from any other source.

1.02 *Local Government Corporation.* This Corporation is formed pursuant to the provisions of Subchapter D of Chapter 431, Texas Transportation Code (the "Act"), as it now or hereafter amended, which authorizes this Corporation to assist and act on behalf of the County and to engage in activities in the furtherance of the purposes for its creation.

1.03 *Non-Profit Corporation.* This Corporation shall have and exercise all the powers, rights, privileges, and functions given by the general laws of Texas to non-profit corporations incorporated under the Act including, without limitation, the Texas Nonprofit Corporation Law (Tex. Bus. Org. Code, Chapters 20 and 21 and the provisions of the Title I thereof to the extent applicable to non-profit corporations, as amended) or their successor.

1.04 *Powers of Non-Profit Corporation.* This Corporation shall have all the powers of a like or different nature that are permitted by law which are available to non-profit corporations in Texas and which are necessary and useful to enable this 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; provided, however, that this Corporation shall not issue any bond, certificate, note or other obligation evidenced by an instrument without the prior written consent of the County Commissioners Court or as otherwise allowed by these Bylaws.

1.05 *Governmental Immunity.* This Corporation is created as a local government corporation pursuant to the Act and shall be a governmental unit within the meaning of Subdivision (3), Section 101.001, Texas Civil Practice and Remedies Code. The operations of this Corporation are governmental and not proprietary functions for all purposes, including for the purposes of the Texas Tort Claims Act, Section 101.001, *et seq.*, Texas Civil Practice and Remedies Code. This Corporation shall have the power to acquire land in accordance with the Act as it is amended from time to time.

1.06 *Consent.* References herein to the consent or written consent of a County shall refer to an ordinance, resolution, or order of the governing body of the County.

1.07 *Contracting Authority.* This Corporation may contract with non-member governmental units, individuals, private corporations and companies, and professionals and enter into contracts with the same.

1.08 *Approved Projects.* This Corporation, by and through its Board of Directors, may approve capital improvements, services, or other projects consistent with the purposes of this Corporation to assist the County in performance of its governmental functions for development and maintenance of the Esperanza District (each an "Approved Project"). The County shall have the right to elect not to participate in any Approved Project and such, the County shall not be responsible for funding such Approved Project through any required contribution agreement. This Corporation will not participate in any projects under Chapter 394 of the Local Government Code. A list of approved projects will be included in the annual audit made by the Corporation.

ARTICLE II
Board of Directors

2.01 *Powers Vested in the Board.* All powers of this Corporation shall be vested in a Board of Directors consisting of five (5) members (the "Board") subject to the oversight of the County and as otherwise provided by these Bylaws. The qualification, selection, terms, removal, replacement,

and resignation of the members of the Board of Directors of this Corporation ("Director" or "Directors") shall be governed by Article VI of the Certificate of Formation ("Certificate").

2.02 *Initial Board and Transition.* The initial Directors of the Corporation shall be those persons named in Article VIII of the Certificate. With respect to the initial Board, the terms of the initial Directors shall commence on the date the Secretary of State has issued the certificate of incorporation for this Corporation and expire on December 31, 2026. Upon expiration of the terms of office of the initial Directors, the subsequent directors shall be appointed for a three (3) year term, or until their successor is appointed by the entity authorized to appoint the Director; provided, however, upon the death, resignation or removal of a Director, the entity responsible for that Director's appointment shall appoint a replacement Director to serve for the unexpired term of office of the replaced Director.

2.03. *Specifically Required Legal Compliance.* The County expressly requires the Board of Directors to Comply with good faith competitive bid requirements of the County for all contracts greater than $50,000 for the total life-span of the contractual engagement; unless exempted by law; for personal services, real estate, or operations under a specific agreement for a limited time; or insurance; or if the Board determines delay would prevent or seriously impair the operation of the Esperanza District activities. Further, the meetings of the Board of Directors or any committee thereof shall be subject to all requirements of the Texas Open Meetings Act. Additionally, the Board of Directors and this Corporation shall comply with the Texas Public Information Act.

2.04 *Governing Documents.* All other matters pertaining to the internal affairs of the Corporation shall be governed by these Bylaws, so long as these Bylaws are not inconsistent with the Certificate, and such other documents agreed to by the County and as the same may be amended from time to time, or the laws of the State of Texas.

2.05 *Voting Rights.* All Directors shall have full and equal voting rights. All references herein to an act, resolution or vote of the Directors shall refer to a vote of the Directors entitled to vote on the matter provided herein.

2.06. *Notice of Meetings of the Directors.* The Directors must hold their meetings in compliance with the Texas Open Meetings Act. The notice of the meeting of the Board of Directors shall be posted on the official bulletin board and website of the County where Open Meetings Act notices are designated to be posted.

2.07 *Annual Meetings.* The annual meeting of the Board shall be held at the time and location in Dallas County, Texas, designated by the resolution of the Board for the purposes of transacting such business as may be brought before the meeting.

2.08 *Regular Meetings.* Regular meetings of the Board shall be held at least quarterly at such times and places as shall be designated, from time to time, by resolution of the Board; provided, however, in the absence of any such determination, such place shall be the registered office of the Corporation in the State of Texas. 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 under Chapter 551, Texas Government Code (the "Open Meetings Act").

2.09 *Special and Emergency Meetings.* Special and emergency meetings of the Board shall be held whenever called by the Chairperson or by any three (3) of the Directors who are serving duly appointed terms of office at the time the meeting is called. A majority of the Board must be present for any special called or emergency meeting. The 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 and the public in compliance with the Open Meetings Act. Notice of each emergency meeting shall also be given in the manner required under Chapter 551, Texas Government Code (the "Open Meetings Act"). For purposes of these Bylaws, an "emergency meeting" is a meeting of the Board to consider a circumstance that, in the absence of immediate action by the Board, may have a material, adverse impact upon the Corporation or the Esperanza District. The person(s) calling the special or emergency meeting shall provide the Secretary of the Corporation with a statement of the reason(s) for the meeting, which statement shall be included in the notice of the meeting. The agenda notice of the emergency meeting must be posted at least two (2) hours before the meeting and clearly identify the emergency or urgent public necessity. The Chairperson or the Board member who calls an emergency meeting must notify by telephone, facsimile transmission, or electronic mail not later than one hour before the meeting those members of the news media that have previously filed at the Corporation a request containing all pertinent information for the special notice and has agreed to reimburse the Board for the cost of providing the special notice.

2.10. *Election of Chair and Vice-Chair of the Board.* Upon the initial meeting of the Board and at the last regular meeting of the Board occurring prior to October 1 of each calendar year thereafter, the Directors shall elect a Chair and Vice-Chair from among the members of the Board who will serve as Chair and Vice-Chair, respectively, for the period of October 1 until September 30 immediately following their election, and until their replacements are elected.

2.11 *Quorum and Acts of Corporation.* A quorum for a meeting and action of this Corporation shall be a simple majority of the Board of Directors. If at any meeting of the Board there is less than a quorum present, business of the Board shall not be conducted. 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 vote of a greater number of Directors is required by law, by the Certificate of Formation, or by these Bylaws.

2.12 *Conduct of Business.* At the meetings of the Board, the Chairperson shall preside and in the absence of the Chairperson, the Vice-Chairperson shall preside. The Secretary of the Corporation shall act as secretary of all meetings of the Board, but in the absence of the Secretary, the Executive Director shall appoint a temporary Secretary for the meeting.

2.13 *Compensation of Directors.* Directors, as such, shall receive no salary or compensation for their services as Directors; provided, however, Directors may be reimbursed for reasonable and necessary expenses incurred in carrying out the Corporation's purposes.

2.14 *Hiring of Professionals.* The Board may employ or contract for services with attorneys, auditors, certified accountants, engineers, and such other professionals and consultants as may be required for the purposes of the Corporation from time to time.

2.15 *Prohibited Contracting.* No Director or any other employee of this Corporation shall have an interest in any contract being considered or executed by this Corporation that would allow monetary compensation or any other thing of value to be received by the Director or employee other than reimbursement of expenses provided by these Bylaws or permitted by law.

2.16 *Executive Director.* The Board is authorized to retain an Executive Director who shall serve at the pleasure of the Board. The Executive Director shall be the chief executive officer of the Corporation and shall have the duties and powers as set forth in Article V of these Bylaws. The Board shall establish the compensation of the Executive Director, and may establish duties and responsibilities of the Executive Director in addition to those prescribed by Article V of these Bylaws. The retention and/or removal of the Executive Director shall be by a majority vote of the entire Board.

2.17 *Attorneys and Consultants.* The Board may employ attorneys, auditors, certified accountants, architects, urban planners, engineers, and such other professionals and consultants as may be required for the purposes of the Corporation from time to time.

2.18 *Amendment of the Bylaws.* 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 meeting if notice of the proposed amendment is contained in the notice of said meeting. However, any proposed change or amendment to the Bylaws approved by the Board after December 31, 2026, must be approved by the Commissioners Court of Dallas County to be effective.

ARTICLE III
Officers

3.01 *Titles and Term of Office.* The officers of the Corporation shall be a Chairman, a Vice Chairman, a Secretary, a Treasurer, and such other officers as the Board may from time to time appoint. Each officer shall be a current Director. One person may hold more than one office, except the Chairman shall not hold the office of Secretary. The term of office for each officer shall be one (1) year and shall serve from January 1 through the following December 31, except that such office shall terminate on the earlier of: (a) the date that the officer is replaced by the Board; or (b) the date that the officer is no longer a member of the Board. All officers may serve successive terms. All officers shall be appointed and subject to removal at any time, with or without cause, by a vote of the Board. A vacancy in any office shall be filled by a vote of the Board. A vacancy in any office elected pursuant to this Article III shall be filled by a vote of a majority of the entire Board and shall be for the remainder of the then current term of office vacated.

3.02 *Powers and Duties of the Chairman.* The Chairman shall be a member of the Board and shall preside at all meetings of the Board. Such person shall have such duties as are assigned by the Board. The Chairman may call special or emergency meetings of the Board. Any special or emergency called meeting shall be called and conducted in accordance with Section 2.08 of these Bylaws. In furtherance of the purposes of the Corporation and subject to the limitations contained in the Certificate, the Chairman may sign and execute all bonds, notes, deeds, conveyances, franchises, assignments, mortgages, notes, contracts and other obligations in the name of the

Corporation.

3.03 *Powers and Duties of the Vice Chairman.* The Vice Chairman shall be a member of the Board and shall have such powers and duties as may be assigned to such person by the Board or the Chairman, including the performance of the duties of the Chairman upon the death, absence, disability, or resignation of the Chairman, or upon the Chairman's inability to perform the duties of such office.

3.04 *Treasurer.* The Treasurer shall have custody of all the funds and securities of the Corporation which come into possession of the Corporation. When necessary or proper, the Treasurer (i) 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; (ii) 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; (iii) shall enter or cause to be entered regularly in the books of the Corporation to be kept by such person for that purpose full and accurate accounts of all moneys received and paid out on account of the Corporation; (iv) shall perform all acts incident to the position of Treasurer subject to the control of the Board, including the monitoring and audit of all cash accounts whose existence must first be approved by the Board; and (v) 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, with the consent of the Board, may designate one or more individuals to perform the duties of receiving and disbursing funds of the Corporation, including having signatory authority on the Corporation's demand accounts.

3.05 *Secretary.* The Secretary (i) shall keep the minutes of all meetings of the Board in books provided for that purpose; (ii) shall attend to the giving and serving of all notices; (iii) in furtherance of the purposes of the Corporation and subject to the limitations contained in the Certificate of Formation, may sign with the Chairman 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; (iv) 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, (v) shall in general perform all duties incident to the office of Secretary subject to the control of the Board. Nothing in this Section 3.05 shall be construed as prohibiting the Board or the Executive Director from providing to the Secretary such support as may be reasonable and necessary to assist the Secretary in carrying out the duties set forth herein.

3.06 *Compensation.* Officers shall serve without compensation for their duties, but are entitled to receive reimbursement for their reasonable expenses only in performing their functions in accordance with any policies that may be adopted by the Board.

ARTICLE IV
Financial Matters

4.01 *Fees and Charges.* The Board of Directors may prescribe fees and charges to be collected for the use of land, improvements, and facilities of this Corporation.

4.02 *Exemption from Taxes.* Any property, purchases, revenues, and income of this Corporation are tax exempt.

4.03 *Annual Budget and Fiscal Year.* The Board shall adopt an annual budget and determine their fiscal year.

(a) Prior to the beginning of each fiscal year, the Board or the Executive Director (if the Corporation has retained an Executive Director) shall prepare, or cause to be prepared, a budget (the "Budget") for the fiscal year. The Board shall approve the Budget no later than thirty (30) days prior to the beginning of each fiscal year.

(b) The Budget shall, at a minimum, include capital, operational, debt service and project-specific expenditures and corresponding revenues. The Budget shall clearly indicate the sources and purposes of revenues.

(c) If the Board fails to approve the Budget by the first day of the fiscal year, then the Budget for the prior fiscal year shall be deemed approved until such time as the Board approves a new Budget.

4.04 *Capital Spending Authority.* The Board may expend funds for any authorized purpose of this Corporation.

4.05 *Audit.* Not later than one hundred twenty (120) days after the close of each fiscal year, the Board shall have an annual audit prepared by an independent auditor who is duly licensed or certified as public accountant in the State of Texas of the financial books and records of the Corporation. The Corporation shall provide a copy of the completed audit to the County not later than fifteen (15) days after its receipt by the Corporation.

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

ARTICLE V
Executive Director; Employees

5.01 *Powers and Duties of the Executive Director.*

(a) *Chief Executive.* The Executive Director shall be the chief executive officer of the Corporation and, subject to the control of the Board, shall be in general charge of the properties and affairs of the Corporation. The Executive Director has management and control of the properties and operations of the Corporation, including the powers of a general manager. The Executive Director shall be an ex-officio member of all Board committees, except any committee charged with financial oversight of the Corporation, such as an audit committee. The Executive Director will be responsible for implementing all orders and resolutions of the Board, and all other powers that are not specifically reserved to the Directors will be executed by the Executive Director within the general guidelines and policies of the Board.

(b) *Responsible for hiring and supervision of Employees*. The Executive Director shall be responsible for hiring and terminating the employees of the Corporation. All employees hired by the Executive Director shall be terminable at-will and not be provided any term or promise of continued employment.

(c) *Spending Authority*. The Executive Director is authorized to approve expenditures, make purchases, and enter into contracts on behalf of the Corporation which require an expenditure not to exceed $50,000 without Board approval as long as funds are budgeted and are available for the expenditure.

(d) *Annual Budget*. The Executive Director is responsible for the preparation of the Corporation's annual budget.

5.02 *Corporation Employees*.

(a) The Board may employ or contract with a person or entity as an independent contractor to serve as an Executive Director. The Executive Director shall be terminable at-will and not be provided any term or promise of continued employment.

(b) The Corporation may contract with the County for utilization of employees. The Corporation may, with or without compensation, use the services of employees of the County with prior written consent. The Board is authorized to employ or contract for project-specific personnel to manage or operate a service provided by the Corporation.

ARTICLE VI
Director Liability

No Director shall be liable to the Corporation for monetary damages for an act or omission in the Director's capacity as Director, except for liability (i) for act or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law, (ii) for any transaction from which the Director received an improper or unethical benefit as determined by the law, orders, ordinances, and policies applicable to the Director's appointing entity, whether or not the benefit resulted from an act taken within the scope of the Director's office; or (iii) for any acts of omissions for which the liability of a Director is expressly provided by statute. Any repeal or amendment of this Article by the Directors shall be prospective only and shall not adversely affect any limitation on the personal liability of a Director existing at the time of such repeal or amendment. In addition to the circumstances in which a Director is not personally liable as set forth in the preceding sentences, a Director shall not be liable to the fullest extent permitted by Texas law.

ARTICLE VII
Seal and Tradename

7.01. *Seal.* The Seal of this Corporation shall be approved by the Board of Directors and changed from time to time. The Seal of this Corporation shall not be required to be placed on a document in order for the document to be considered a valid act or agreement of this Corporation.

7.02 *Tradename.* The Board of Directors may adopt, use, and alter the trade name for this Corporation by simple majority vote.

7.03 *Supremacy of Certificate of Formation*. These Bylaws are subject to and governed by the Certificate of Formation.

ARTICLE VIII
CODE OF ETHICS

8.01 *Policy and Purposes.*

(a) It is the policy of the Corporation that Directors and officers conduct themselves in a manner consistent with sound business and ethical practices; that the public interest always be considered in conducting corporate business; that the appearance of impropriety be avoided to ensure and maintain public confidence in the Corporation; and that the Board establish policies to control and manage the affairs of the Corporation fairly, impartially, and without discrimination.

(b) This Code of Ethics has been adopted as part of the Corporation's Bylaws for the following purposes: (a) to encourage high ethical standards in official conduct by Directors and corporate officers, and (b) to establish guidelines for such ethical standards of conduct.

8.02 *Conflicts of Interest*

(a) *Abide by State Civil and Criminal Laws for Public Officers*. All Directors, Officers, and employees shall abide by the state civil and criminal laws regarding conflict of interest, official misconduct, and other regulations and restrictions involving their official duties.

(b) *Disclosure and Abstention.* It is the intent of these Bylaws that the Directors, Executive Director, and Officers shall take all steps to avoid the appearance of impropriety in the conduct of their affairs on behalf of the Corporation. This includes not engaging in any conduct or business that may be deemed to compromise their independent judgment in executing their duties as Corporation officials. In the event a Director, Officer or Executive Director has a substantial interest in a transaction that comes before the Board, the affected Director must:

(i) disclose that interest in writing and file it with the Secretary; and
(ii) refrain from discussing or voting on the same.

(c) *Restrictions on Executive Director.* The Executive Director is precluded from having any financial or equitable interest in any contract, service (other than such person's employment), or acquisition that is subject to the Executive Director's approval or that the subordinates of the Executive Director may approve or monitor.

(d) *Definition of Substantial Interest.* A Director has a substantial interest in real property if the interest of the Director or their relative related within the first degree of consanguinity or affinity to the Director is an equitable or legal ownership with a fair market value of $2,500 or more. A Director has a substantial interest in a business entity if the Director or their relative related within the first degree of consanguinity or affinity to the Director:

(i) owns 10 percent or more of the voting stock or shares of the business entity or owns either 10 percent or more or $15,000 or more of the fair market value of the business entity; or

(ii) funds received by the person from the business entity exceed 10 percent of the person's gross income for the previous year.

(e) The status of the person being an elected official or employee of a public entity does not create a substantial interest in the public entity.

8.03 ***Acceptance of Gifts.*** No Director or Officer, nor the Executive Director, shall accept any benefit as consideration for any decision, opinion, recommendation, vote, or other exercise of discretion in carrying out official acts for the Corporation. No Director or Officer, nor the Executive Director, shall solicit, accept, or agree to accept any benefit from a person known to be interested in or likely to become interested in any contract, purchase, payment, claim, or transaction involving the exercise of the Director's or Officer's, or the Executive Director's, discretion. As used here, "benefit" does not include:

(a) a fee prescribed by law to be received by a Director or Officer or Executive Director or any other benefit to which the Director or Officer or Executive Director is lawfully entitled or for which he gives legitimate consideration in a capacity other than as a Director or Officer or Executive Director.

(b) a gift or other benefit conferred on an account of kinship or a personal, professional, or business relationship independent of the official status of the Director or Officer or Executive Director.

(c) One or more gifts, including food and beverages accepted as a guest, that in total do not exceed $100 in value in any 12-month period.

8.04 ***Nepotism.*** No Director, Officer, or Executive Director shall appoint, vote for, or confirm the appointment to any office, position, clerkship, employment, or duty, of any person related within the second degree by affinity or within the third degree of consanguinity to the Director or Officer so appointing, voting or confirming, or to any other Director or Officer. This provision shall not prevent the appointment, voting for, or confirmation of any person who shall have been continuously employed in any such office, position, clerkship employment, or duty at least thirty (30) days prior to the appointment of the Director or Officer so appointing or voting.

Effective Date. These Bylaws shall be effective upon adoption by an affirmative vote of a majority of the directors at a meeting of the Board, provided that notice of the proposed adoption shall have been received by each director at least five (5) business days before the said meeting.

Approved by the Board of Directors of the Esperanza District Local Government Corporation Inc., on July 3 **, 2025.**

Thomas J Ervin

Name: THOMAS J ERVIN

Title: President