

BYLAWS
OF
ROCKVILLE ECONOMIC DEVELOPMENT, INC.

ARTICLE I. PURPOSE OF CORPORATION

Rockville Economic Development, Inc. (the "Corporation") shall use, apply and distribute its income and principal and such other assets as it may from time to time have, in the manner and for the purposes set forth in the Corporation's Charter.

ARTICLE II. MEMBERS

Section 1. Determination of Members.

The Corporation shall have one member (the "Member") which shall be ~~the Mayor and Council of the City of Rockville, Maryland, a Maryland municipal corporation.~~

Section 2. Action by Member

The Member shall appoint Directors in the manner set forth in Article III of these Bylaws.

ARTICLE III. DIRECTORS

Section 1. General Powers.

The business and affairs of the Corporation shall be managed under the direction of its Board of Directors consisting initially of those individuals named in the Articles of Incorporation. In addition to the powers expressly conferred upon them by these Bylaws, the Board of Directors may exercise all the powers of the Corporation not reserved to the member by the Articles of Incorporation, these Bylaws or law. From time to time, the Board of Directors may delegate to officers of the Corporation such powers and duties as it may see fit in addition to those specifically provided in these Bylaws.

Section 2. Selection - Number and Tenure.

a. Appointments

Except as otherwise provided in this Article III, Directors shall be appointed by the Member annually, within 120 days following the end of the Corporation's fiscal year. The number of Directors which shall constitute the whole board shall not be fewer than 10, nor more than 25. The Board shall include voting ex-officio representation from: the Maryland Department of Commerce (or its successor entity), the Montgomery County Economic Development Corporation (or its successor entity), Visit Montgomery, Montgomery College and the Greater Rockville Chamber of Commerce. ~~The Rockville City Manager's office and Rockville Mayor and Council will each designate a non-voting liaison member to the Board. and the Rockville City Manager's office.~~ Within the limits specified

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above, the number of directors shall be determined by ~~resolution action~~ of the Board of Directors.

b. Qualifications

Although no qualifications, conditions or limitations are imposed on the individuals who can serve as members of the Board of Directors, the Board of Directors should be representative of the diverse community and the businesses that comprise the City of Rockville and should have governmental representation.

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c. Classes

The Board of Directors shall divide the Directors into three classes; and, when the number of Directors is changed, shall determine the class or classes to which the increased or decreased number of Directors shall be apportioned; provided, however, that no decrease in the number of Directors shall affect the term of any Director then in office. The initial classes of Directors shall have terms expiring in 1998, 1999 and 2000, respectively. Directors elected to succeed those whose terms are expiring shall be elected for a term of office expiring upon the third year following their election and until their respective successors are elected and qualified. or until such Director's earlier death, resignation or removal.

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d. Terms

Directors who are not officers may serve two (2) consecutive 3-year ~~terms,~~ and terms and would be eligible for reappointment after being off of the Board for one year. Any Director serving as an officer may serve during the time of their appointment by the Board of Directors.

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The Board may decide, by majority vote, to extend the term limit of any Director.

e. Minutes

The Board of Directors shall keep minutes of its meetings and a full account of its transactions.

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Section 3. Regular Meetings.

A regular annual meeting of the Board of Directors shall be held ~~within 120 days following the end of each fiscal year~~between June and August, on a day, and at a time and place to be determined by the Directors. Other regular meetings shall be held on such dates and at such times as may be designated from time to time by the Directors.

Section 4. Special Meetings.

Special meetings of the Board of Directors may be called by the Member, the ~~Chairperson~~Chair of the Board, or by a majority of the Directors then in office.

Section 5. Place of Meetings.

The Board of Directors shall hold its regular and special meetings in the City of Rockville or at such other place within or without the City of Rockville as it may from time to time determine. In the absence of such determination, regular and special meetings of the Board of Directors shall be held at the principal business office of the Corporation. ~~The Board of Directors shall have the discretion to open to the public any regular or special meeting of the Board of Directors.~~

Section 6. Notice.

Board meetings shall be held upon a minimum of five (5) business days' notice by first class mail, ~~electronic mail (e-mail), or facsimile transmission~~ or forty-eight (48) hours' notice delivered personally, ~~by e-mail, facsimile transmission~~ or by telephone. If sent by mail, facsimile transmission, or e-mail, the notice shall be deemed to be delivered upon its deposit in the mail ~~or transmission system~~. Notice of meetings shall specify the place, day, and hour of meeting. No notice of the time, place or purpose of any meeting need be given to any Director, who, in writing executed and filed with the records of the meeting either before or after the holding thereof, waives such notice or who attends the meeting (other than for the purpose of objecting to the meeting).

Section 7. Quorum.

A majority of the Board of Directors shall constitute a quorum for the transaction of business at every meeting; but if at any meeting there be less than a quorum present, a majority of those present may adjourn the meeting from time to time, but not for a period in excess of 30 days, without notice other than by announcement at the meeting, until a quorum shall attend. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally called. Except as otherwise provided in the Articles of Incorporation or these Bylaws, the action of a majority of the Directors present at a meeting at which a quorum is present shall be the action of the Board of Directors.

Section 8. Vacancies.

Any vacancy occurring in the Board of Directors or created by an increase in the number of Directors may be filled by the first to act of either (a) the Member, or (b) the Board of Directors. ~~Any appointment by the Board of Directors is provisional unless and until confirmed by the Member.~~ A Director appointed to fill a vacancy shall be appointed for the unexpired term of the predecessor in office.

Section 9. Removal.

The Member may remove any Director from office, with or without cause.

Section 10. Conflict of Interest.

The Board shall adopt and periodically review a conflict of interest policy to protect the Corporation's interest when it is contemplating any transaction or arrangement that may be perceived to benefit any director, officer, employee, affiliate, or member of a

committee with board delegated powers. If any action taken by the Board could create a potential conflict of interest, such person shall disclose said potential conflict of interest and when indicated recuse themselves from any action taken on the matter.

Section 11. Compensation.

Directors shall receive no compensation for their services on behalf of the Corporation.

~~Section 12. Action by Directors.~~

~~Any action of the Directors may be taken without a meeting if a consent in writing setting forth the action taken is signed by all Directors and filed with the minutes of the Corporation.~~

Section 123. Attendance Policy.

Directors are expected to attend and participate in Board meetings, committees, events, etc.

Section 134. ~~Telephone~~-Virtual or Telephone Conference.

Members of the Board of Directors or any committee thereof may participate in a meeting of the Board or such committee by means of a video or telephone conference ~~telephone~~ or similar communications equipment by means of which all persons participating in the meetings can hear each other at the same time and participation by such means shall constitute presence in person at the meeting.

ARTICLE IV. OFFICERS

Section 1. In General.

The officers of the Corporation shall consist of a ~~Chairperson~~Chair, ~~Executive Director~~Chief Executive Officer, Vice-Chair, and Secretary/Treasurer, Immediate Past Chair, and whenever deemed advisable by the Board, one or more Assistant Secretarys/Treasurers or additional Vice-Chairs.

The ~~Chairperson~~Chair shall be chosen from among the persons on the Board of Directors. The other officers may be chosen from among the persons on the Board of Directors. In addition to Article IV, Section 11, prior to the annual meeting, there shall be a call for any persons interested in upcoming officer positions to be considered for vote at the annual meeting. Any two offices, except those of Chair and Vice-Chair, and those of Chair and Secretary/Treasurer, may be held by the same person, but no officer shall

execute, acknowledge or verify any instrument in more than one capacity, when such instrument is required to be executed, acknowledged or verified by any two or more officers. The Board of Directors may from time to time appoint such other agents and employees, with such powers and duties as the Board may deem proper.

Section 2. ~~Chairperson~~Chair.

The ~~Chairperson~~Chair shall (when present) preside at all meetings of the Board of Directors, and shall ensure that all actions, orders and resolutions of the Board of Directors and the Member are carried into effect. The ~~Chairperson~~Chair may execute bonds, mortgages and other contracts, under the seal of the Corporation, if required, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the Corporation.

Section 3. ~~Executive Director~~Chief Executive Officer.

The ~~Executive Director~~Chief Executive Officer shall be the Chief Executive Officer of the Corporation. Under the guidance of the Board of Directors, the ~~Executive Director~~Chief Executive Officer shall manage and direct the activities of the Corporation and shall have all powers ordinarily exercised by the president of a corporation. The ~~Executive Director~~Chief Executive Officer shall have authority to employ an administrator or other persons at salaries fixed by resolution ~~action~~ of the Board of Directors to assist in the general management and direction of the activities of the Corporation, and shall have authority to sign and execute, in the name of the Corporation, all deeds, mortgages, bonds, contracts or other instruments to be executed on the Corporation's behalf.

Section 4. Vice-Chair.

In the absence of the ~~President~~Chair or in the event of ~~his or her~~the Chair's inability or refusal to act, the Vice-Chair (or in the event there be more than one Vice-Chair, the Vice Chairs in the order of their election or designated seniority) shall perform the duties of the ~~Chairperson~~Chair, and when so acting, shall have and may exercise all the powers of the ~~Chairperson~~Chair. Any Vice-Chair shall perform such other duties as from time to time may be assigned by the ~~Chair~~Chair or by the Board of Directors.

Section 5. Secretary/Treasurer.

The Secretary/Treasurer shall keep or designate staff to keep minutes of the meetings of the Board of Directors, see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law, and be custodian of the corporate records and of the seal of the Corporation.

If required by the Board of Directors, the Secretary/Treasurer shall give a bond for the faithful discharge of the duties of the office in such sum and with such surety or sureties as the Board of Directors shall determine, the cost of which shall be borne by the Corporation. The Secretary/Treasurer shall have charge and custody of all funds and securities of the Corporation, receive and give receipts for monies due to the Corporation, and deposit all such monies in the name of the Corporation in such banks or other

depositories as shall from time to time be selected by the Board of Directors. In general, the Secretary/Treasurer shall perform all the duties incident to the office of treasurer and such other duties as from time to time may be assigned by the President-Chair or by the Board of Directors.

In the absence of the Chair or any Vice-Chair or in the event of their inability or refusal to act, first the Treasurer/Secretary, and in the event of inability or refusal of the Treasurer/Secretary, the Immediate Past Chair shall perform the duties of the Chair, and when so acting, shall have and may exercise all the powers of the Chair.

Section 7. Immediate Past Chair

The Immediate Past Chair shall serve to support the incoming Chair and continuity of the organization.

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Section 7. Assistant officers

Each Assistant Secretary/Treasurer (if any) shall hold office for such period and shall have such authority and perform such duties as the Board of Directors may prescribe.

Section 8. Compensation.

No officer who also is a Director shall receive any compensation for services as such but may, by resolution-action of the Board of Directors, be allowed reimbursement for expenses, actually and reasonably incurred on behalf of the Corporation. The compensation of other officers of the Corporation shall be fixed by the Board of Directors

Section 9. Removal.

The Board of Directors shall have the power to set the term of any officer and at any regular or special meeting to remove any officer with or without cause. The Board may authorize any officer to remove subordinate officers.

Section 10. Terms of Officers.

Subject to Section 9. Officers may serve in any one position for two (2) consecutive two-year terms.

Section 11. Vacancies.

The Board of Directors at any regular or special meeting shall have the power to fill a vacancy occurring in any office.

ARTICLE V. COMMITTEES

Section 1. Executive Committee.

The Board of Directors, by ~~resolution-action~~ adopted by a majority of the Directors in office, may designate from among its members an Executive Committee consisting of the ~~Chairperson, Chair, and representation of the City of Rockville- Immediate Past Chair, Vice-Chairs, Secretary/Treasurer~~ and such other Directors as may be specified in the ~~resolution-action~~; provided, however, in no event shall the number of the members of the Executive Committee exceed seven. A non-voting liaison member from the City of Rockville Mayor & Council shall be permitted to participate in open meetings of the Executive Committee. The Executive Committee shall have and exercise the authority of the Board of Directors in the management of the Corporation, except that such Committee shall have no authority to amend, alter, or repeal the Bylaws, to elect, appoint or remove any Director or officer of the Corporation, or to approve any charter document required to be filed with the State Department of Assessments and Taxation of Maryland.

Section 2. Advisory Committee.

The Board of Directors may appoint an Advisory Committee to make recommendations to the Board and to assist the Board in developing the goals and policies of the Corporation. The persons on the Advisory Committee shall not be required to be members of the Board of Directors of the Corporation. The Advisory Committee may advise the Board of Directors with respect to any corporate matter so presented to the Advisory Committee.

Section 3. Finance/Audit Committee.

The Board of Directors ~~may shall~~ designate a Finance/Audit Committee to provide input about and oversight of monthly financial activity and during the Audit process and as needed. The committee ~~may shall~~ be comprised of the Executive Committee and other Board members with financial expertise. A non-voting liaison member from the City of Rockville Mayor and Council shall be permitted to participate in open meetings of the Finance/Audit Committee.

Section 4. Other Committees, Task Forces and Working Groups.

The Board of Directors may by ~~resolution-action~~ constitute and appoint such other committees, task forces, and working groups to perform such other duties and functions as the Board may deem appropriate. Committee, task force and working group members need not be Directors of the Board, but all committees, task forces, and working groups shall be led by a Director.

Section 5. Term of Office.

Each member of every committee, task force or working group shall serve a one-year term, renewable annually by the Board of Directors.

Section 6. Quorum.

Unless otherwise provided in the ~~resolution-action~~ of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

Section 7. Rules

Each committee may adopt rules for its own government not inconsistent with the Articles of Incorporation, with these Bylaws, with rules adopted by the Board of Directors, or with any applicable law of the State of Maryland.

ARTICLE VI. FINANCIAL STATEMENTS, REPORTS, CONTRACTS, CHECKS, DEPOSITS AND GIFTS

Section I. Annual Financial Statement.

The Corporation shall prepare an annual independent financial statement by a duly qualified firm as deemed appropriate by the Finance/~~Audit~~ Committee. A copy of the financial statement shall be provided to the ~~City of Rockville~~Member. In addition, the books and records of the Corporation shall be subject to inspection and audit by the ~~City of Rockville~~Member during normal business hours. The Corporation shall be compliant with all applicable Federal, State and local regulations.

Within 120 days after the close of each fiscal year, the Corporation shall provide a written report to the ~~City of Rockville~~Member summarizing the operations and activities of the Corporation during such fiscal year.

Section 2. Contracts.

The Board of Directors may authorize any officer or officers, agent or agents of the Corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 3. Checks, Drafts, Etc.

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 signed by such officer or officers, agent or agents of the Corporation, and in such manner as shall from time to time be determined by ~~resolution-action~~ of the Board of Directors.

Section 4. Deposits.

All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks or other depositories as the Board of Directors may select.

Section 5. Gifts.

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The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Corporation.

ARTICLE VII. SUNDRY PROVISIONS

Section 1. Fiscal Year.

The fiscal year of the Corporation shall be the period from July 1 – June 30, unless some other fiscal year be specified by resolution-action of the Board of Directors.

Section 2. Seal.

The seal of the Corporation shall be circular in form with the name of the Corporation inscribed around the outer edge, and in the center shall be inscribed the word "Maryland" and the year of incorporation. In lieu of affixing the corporate seal to any document, it shall be sufficient to meet the requirements of any law, rule, or regulation relating to a corporate seal to affix the word "(SEAL)" adjacent to the signature of the authorized officer of the Corporation.

Section 3. Indemnification.

To the maximum extent permitted by the Maryland ~~General Corporation Law~~ and the Internal Revenue Code as from time to time amended, the Corporation shall indemnify its currently acting and its former Directors, officers, agents and employees to the extent of the assets of the Corporation. The Corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, partner (limited or general) or agent of another corporation or of a partnership, joint venture, limited liability company, trust or other enterprise, against any liability asserted against such person or incurred by such person in any such capacity, or arising out of such person's status as such, and related expenses, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of Maryland Law.

Section 4. Amendments to Bylaws.

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted, by either of (a) a majority of the entire Board of Directors at any regular meeting or at any special meeting called for that purpose or, (b) the Member. Notwithstanding the foregoing, any amendment to these Bylaws made by the Member may be further amended in accordance with clause (a) of the foregoing sentence only with the consent of the Member. Furthermore, this Article VII, Section 4 can be amended only with the consent of the Member.

I, _____, in my capacity as Secretary/Treasurer of the Rockville Economic Development, Inc., hereby certify that the foregoing constitutes all of the provisions of the Bylaws of the Corporation, as currently in effect.

IN WITNESS WHEREOF, I hereunto subscribe my name and affix the seal of the Corporation this ____ day of _____, 20~~12~~²⁵6.

(SEAL)

, Secretary/Treasurer