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**CITY OF SEABROOK
RESOLUTION NO. 2002-11
ADOPTION OF AMENDED BYLAWS
FOR THE SEDC II**

A RESOLUTION AMENDING THE ORIGINAL BYLAWS OF THE SEABROOK ECONOMIC DEVELOPMENT CORPORATION II (SEDC II).

WHEREAS, on January 18, 1992, the voters of the City of Seabrook authorized the City of Seabrook to adopt a one-half cent sales and use tax to pay the costs of "projects" authorized by Section 4B of Article 5190.6, V.T.C.S. as amended, and to pay for the principal of and interest of bonds or other obligations issued to pay the costs of such "projects"; and

WHEREAS, the Seabrook Economic Development Corporation II (SEDC) was established to oversee the expenditures of these tax monies and bylaws were established for the operation of the SEDC II;

WHEREAS, the adopted bylaws provide for the amendment of such bylaws; and

WHEREAS, the Board of Directors of the SEDC II has determined that it is in the best interest of the City of Seabrook to now amend these bylaws; and

WHEREAS, all required procedures have been followed to amend such bylaws including posting and conducting a public hearing before the SEDC II Board of Directors on April 4, 2002 and obtaining the affirmative vote of no fewer than five (5) members to approve such amendments; and

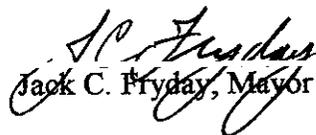
WHEREAS, all amendments to the SEDC II bylaws must be approved by the Seabrook City Council; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEABROOK, STATE OF TEXAS:

THAT, all amendments to the Bylaws of the Seabrook Economic Development Corporation II are hereby adopted as recommended by the Board of Directors of the Seabrook Economic Development Corporation II.

AND IT IS SO ORDERED.

PASSED, APPROVED AND ADOPTED THIS THE 16TH DAY OF APRIL, 2002.


Jack C. Fryday, Mayor

47 ATTEST:

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Michele L. Glaser, TRMC
City Secretary

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BYLAWS

OF

SEABROOK ECONOMIC DEVELOPMENT CORPORATION II

ARTICLE ONE

OFFICES

Principal Office

1.01 The principal office of the Seabrook Economic Development Corporation II (hereinafter referred to as "SEDC II" or the "Corporation")~~[e]corporation~~ within the State of Texas shall be located at 1700 First Street, Seabrook, Texas.

Registered Office and Registered Agent

1.02 The Corporation shall comply with the requirements of the Texas Non-Profit Corporation Act and the Development Corporation Act and shall have a registered agent whose office address is identical to ~~[with]~~ such registered office. The registered office may be, but need not be, identical to ~~[with]~~ the Corporation's principal office in Texas. The registered agent shall be a resident of the State of Texas. The Board of Directors may change the registered office and the registered agent, as provided ~~[for]~~ in said Act. The initial registered office of the ~~[e]~~Corporation shall be located at 1700 First Street, Seabrook, Texas, and the initial registered agent at such address shall be Charles W. Pinto.

ARTICLE TWO

PURPOSE

2.01 The ~~[e]~~Corporation is a non-profit corporation specifically governed by Article 5190.6. Vernon's Texas Civil Statutes. Section 4B, ~~[of]~~ the ~~[Texas-]~~ ~~D[e]~~velopment Corporation Act of 1979.

~~[2.02 The purpose of the Corporation is to encourage the retention of industrial and manufacturing enterprises within the city of Seabrook and the promotion and development of new and expanded industrial and manufacturing enterprises in the City in order to promote and encourage the economic growth of the City and the full employment, welfare and prosperity of its citizens as provided by the Development Corporation Act of 1979, as amended.]~~

2.02 The purpose of the Corporation is to use economic development resources as provided by law, to encourage and promote the general economic welfare of the City, and its residents and businesses using the ways and means authorized by the state legislature, by the Act and its amendments, and the Charter and ordinances of the City of Seabrook. The Corporation may expend resources and/or offer approved incentives for various business facilities, and for the enhancement of the community.

47 through the development and/or expansion of public improvements, such as, but not limited to,
48 athletics, parks, tourism, and entertainment facilities. The Corporation may also assist in certain
49 public facilities, transportation and infrastructure improvements, or other business—related
50 improvements relating to existing or anticipated business entities.

51
52 **ARTICLE THREE**

53
54 **MEMBERS**

55
56 The Corporation shall have no members.

57
58 **ARTICLE FOUR**

59
60 **BOARD OF DIRECTORS**

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62 **Management of the Corporation**

63
64 4.01 The affairs of the Corporation shall be managed by its Board of Directors.

65
66 **Number, Qualifications, and Tenure of Directors**

67
68 4.02 [The number of directors shall be seven (7).] Seven (7) directors shall be appointed by the
69 City Council for two-year terms of office. A director may be removed by the City Council at any time
70 with or without cause. Each director shall be a resident of the City of Seabrook. The Mayor and the
71 persons holding City Council Positions Four, Five, and Six shall be four (4) of the directors and [~~F~~]
72 the remaining three (3) directors shall be persons who are not employees or officers of the City or
73 members of the City Council [~~of the City~~].

74
75 **Vacancies**

76
77 4.03 Any vacancy occurring [~~in~~] on the Board of Directors shall be filled by appointment by the
78 City Council of the City [~~of Seabrook~~]. All interviews by the City Council [~~for directors~~] to fill
79 vacancies for directors shall be conducted in open meetings. A director appointed to fill a vacancy
80 shall be appointed for the unexpired term of his or her predecessor in office.

81
82 **Ex Officio Members of the Board**

83
84 4.04 The City Manager and the [~~Chairman of the Economic Development Committee~~] Economic
85 Development Director shall serve as ex officio members of the Board and may attend all executive,
86 private or public meetings: [~~including executive, private or public.~~] however, they shall not have the
87 power to vote.

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89 **General Duties of the Board**

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91 4.05 The Board is hereby required to perform the following duties:
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1. In cooperation with the Seabrook Economic Development Corporation I, the Board shall develop or cause to be developed, an overall economic development plan for the City, which shall include and set ~~[for intermittent and/or]~~ short-term goals and long-term goals that ~~[which]~~ the Board deems necessary to accomplish its purpose as stated in Section 2.01 hereof. Such plan ~~[shall be approved]~~ shall require approval by the City Council of the City ~~[of Seabrook. This plan]~~ and shall include the following elements:
 - (a) An economic development strategy to permanently bolster the business climate throughout the City.
 - (b) Strategies to fully utilize the assets of the City, to ~~[which]~~ enhance economic development.
 - (c) Identification of strategies to coordinate public, private, and academic resources to develop and enhance business opportunities for all citizens of the City of Seabrook.
 - (d) Assurance of accountability of all tax monies expended by the Corporation for implementation of the overall economic development plan.
 - (e) Identification and ~~[of strategies and provisions for]~~ implementation of ~~[identified]~~ strategies for ~~[direct]~~ economic development ~~[as defined in this Section]~~.
 - (f) An annual work plan outlining the anticipated activities, tasks, projects, and programs to be undertaken by the Board during the upcoming fiscal year. The annual work plan shall be submitted with the Corporation's annual budget, as outlined in Section ~~[Article]~~ 7.02 of these Bylaws.
2. The Board shall review the overall economic development plan ~~[twice]~~ annually ~~[each year]~~ to ensure that said plan is up-to-date with the current economic climate and is capable of meeting the City's ~~[Seabrook's]~~ current economic development needs.
3. The Board shall expend, in accordance with State law, ~~[the]~~ any tax funds received by it on ~~[direct]~~ economic development, ~~[where such expenditures will have a direct benefit to the citizens of Seabrook.]~~ As used herein, "economic development" shall mean the expenditure of such tax funds for programs that create or aid in the creation of identifiable new jobs or retain identifiable existing jobs, including programs for job training and/or for planning advertising research activities necessary to promote said job creation and retention. The Corporation's primary focus will be in the areas of:
 - (a) Business and industry retention and expansion;
 - (b) Formation of new businesses and industries;
 - (c) Business and industry attraction; and
 - (d) Other activities as allowed by law.

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Tax proceeds may be used. in accordance with State law. to:

- [1] (a) pay the costs of projects found by the Board to be required or suitable for use for professional and amateur (including children's) sports, athletic, entertainment, tourist, convention, and public park purposes and events, including stadiums, ball parks, auditoriums, amphitheaters, concert halls, learning centers, parks and park facilities, and related space improvements, municipal buildings, museums, exhibition facilities, and related store, restaurant, concession, and automobile parking facilities, related area transportation facilities, and related roads, streets, and water and sewer facilities, and other related improvement that enhance any of those items; or
- [2] (b) pay the principal of, interest on, and other costs relating to ~~[on]~~ bonds or other obligations issued by the ~~[e]~~ Corporation to pay the costs of the projects or to refund bonds or other obligations issued to pay the costs of such projects.

[As used in this article, "direct economic development" shall mean the expenditure of such tax funds for programs that directly accomplish or aid in the accomplishment of creating identifiable new jobs or retaining identifiable existing jobs including job training and/or planning and research activities necessary to promote said job creation. The Corporation's focus will be primarily in the areas of:

- a. Business and industry retention and expansion
- b. Formation of new businesses and industries
- c. Business and industry attraction
- d. other activities as allowed by law.]

[4] 5. The Board may contract with the City of Seabrook, or with another entity, for administrative services. The Board may plan and direct its work through a designated employee of the City of Seabrook, or other contractual entity, who will be charged with the responsibility of carrying out the Corporation's plan and program as adopted by the Board.

[5] 6. The Corporation shall make reports to the City Council ~~[of the City of Seabrook. The Corporation shall discharge this requirement by reporting to the City Council]~~ in the following manner:

- (a) The Corporation shall make a detailed report to the City Council once each year~~[-]~~ and ~~s~~[S]uch report shall include, but not be limited to, the following:
 - (1) A review of all expenditures made by the Board in connection with their activities involving direct economic development as defined in this Section ~~[article]~~, together with a report of all other expenditures made by the Board.

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- (2) A review of the accomplishments of the Board in the area of direct economic development.
 - (3) The policies and strategy followed by the Board in relation to direct economic development, together with any new or proposed changes in said policies and strategy.
 - (4) The activities of the Board for the budget year addressed in said annual reports, together with any proposed change in said [activity as said activity or activities] activities as they relate to direct economic development.
 - (5) A review of the activities of the Board in areas of endeavors other than direct economic development, together with any proposed changes in such activities.
 - (6) The annual required report shall be presented to [~~made to~~] the City Council no later than [November] February 1 of each year.
 - (7) The annual report shall be considered by the City Council for its review and acceptance.
- (b) The [b]Board shall be regularly accountable to the City Council for all activities undertaken by them or on their behalf, and shall report on all activities of the Board, whether discharged directly by the Board or by any person, firm, corporation, agency, association or other entity on behalf of the Board. A mid-year report, covering the period October 1 to March 31, shall be made by the Board to the City Council. These semi-annual reports shall be made no [~~to~~] later than [May] June 1 and shall include the following:
- (1) Accomplishments to date as compared with the overall plan or strategy for direct economic development.
 - (2) Anticipated short-term challenges during the next six-months reporting period, together with recommendations to meet short-term challenges.
 - (3) Long-term issues to be addressed [~~dealt with~~] over the succeeding twelve-month period or longer period of time, together with recommendations to meet such issues with emphasis to be placed on direct economic development.
 - (4) A recap of all budgeted expenditures for the first six (6) months of the fiscal year, together with a recap of unused budgeted funds [~~left unexpended~~] and any commitment made on said unused [~~unexpended~~] funds.

- 231 7. The Board shall have the authority to appoint standing committees to aid and assist the
232 Board in its business undertaking or other matters incidental to the operation and
233 functions of the Board.
234
235 8. The Board shall have the authority to appoint ad hoc committees that may address
236 issues of a temporary nature or concern or that have a temporary effect on the
237 business of the Board.
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240 Implied Duties

241
242 4.06 The Corporation is authorized to do that which the Board deems desirable to accomplish any
243 of the purposes or duties set out in Sections 2.01 and 4.05 of these Bylaws and in accordance with
244 State law.
245

246 Meetings

247
248 4.07 [The Board shall hold its annual meeting at 7:00 P.M. on the fourth Tuesday of the month of
249 April of each year, and shall hold regular meetings at 7:00 P.M. on the fourth Tuesday of the months
250 of July, October, and January of each year.] The Board shall hold no fewer than four (4) regularly
251 scheduled meetings per year, at times and dates to be decided by the Board. At least one (1) meeting
252 per year shall be held in joint session with the Economic Development Corporation I. at a time and
253 date agreed to by both Boards. The President may call special meetings when, in his judgment, such
254 meetings are [~~required~~] necessary. All meetings of the Corporation shall be held at City Hall or
255 another facility within the city. If there is no business to discuss, the President shall notify the Board,
256 not less than seventy-two (72) hours prior to the scheduled meeting. [~~Members~~] that the meeting has
257 been [is-] cancelled [no later than 72 hours prior to the scheduled meeting.]. Notice of any such [the]
258 cancellation shall be posted at City Hall not less [later-] than seventy-two (72) hours prior to the
259 regularly scheduled meeting. [All meetings of the Board shall provide notice thereof as provided and
260 set forth in Vernon's Annotated Civil Statutes Article 6252 17, et seq.]
261

262 Notice of [~~any~~] all meetings of the Corporation shall be given to the public in accordance with the
263 requirements of the Texas Open Meetings Act, Chapter 551, *et seq.* of the Texas Government Code.
264 The notice shall contain information regarding the [~~particular~~] time, date, and location of any such
265 [the] meeting and the agenda items to be considered. All meetings shall be conducted in accordance
266 with the Texas Open Meetings Act.
267

268 No meetings of the Board of Directors shall be held outside the boundaries of the City.
269

270 Attendance

271
272 4.08 Regular attendance at [of] the Board meetings is required of all Board [M]members. The
273 following number of absences may constitute the need for replacement of a member: [~~three-(3)]~~ five
274 (5) consecutive absences, or attendance reflecting unexcused absences constituting fifty percent
275 (50%) of the regularly scheduled meetings over any twelve (12) month period. In the event
276 replacement is indicated, the Board member will be counseled by the President and, subsequently, the

277 President shall submit, in writing to the City Secretary, a statement informing City Council of the
278 need to replace the Board member in questions.
279

280 **Quorum**

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282
283 4.09 For the purposes of convening a meeting and transacting the business of the Corporation at
284 any meeting, a majority of the ~~[entire membership of the]~~ Board shall constitute a quorum. If there is
285 an insufficient number of Directors present to convene a [the] meeting and transact business, the
286 presiding officer shall adjourn such [the] meeting.
287

288 **Compensation**

289
290 4.10 The duly appointed Board members ~~[of the Board]~~ shall serve without compensation, but
291 shall be reimbursed in accordance with State law for actual or commensurate costs of travel,
292 lodging, and/or incidental expenses incurred while performing [on] official business of the Board ~~[in~~
293 accordance with State law].
294

295 **Voting; Action of the Board of Directors**

296
297 4.11 Directors must be present in order to vote at any meeting. Unless otherwise provided in these
298 Bylaws, the Corporation's Articles of Incorporation, or as required by law, the act of a simple
299 majority of the Directors present at any meeting for which a Director is aware of a conflict of interest
300 or potential conflict of interest, with regard to any particular vote, the Director shall bring the same to
301 the attention of the meeting and shall abstain from the vote, unless the Board determines that no
302 conflict of interest exists. Any Director may bring ~~[to the attention of the meeting]~~ any apparent
303 conflict of interest to the attention of the Board ~~[exists]~~ before any vote shall be taken regarding that
304 particular matter. The Director who has had [as to whom] a question[s] raised regarding a possible
305 ~~[of]~~ conflict of interest [has been raised] shall refrain from voting on any such matter ~~[with regards to~~
306 ~~the determination as to whether a true conflict exists]~~.
307

308 **Board's Relationship with City Council**

309
310 4.12 In accordance with State law, the City Council shall require ~~[that]~~ the Corporation to be
311 responsible ~~[to it]~~ for the proper discharge of the [its] duties assigned in this ~~[a]~~ Article. All policies
312 for program administration shall be submitted for City Council approval, and the Board shall
313 administer said programs accordingly. The Board shall determine its policies and direction within the
314 limitations of the duties herein imposed, by applicable laws, the Corporation's Articles of
315 Incorporation, these Bylaws, contracts entered into with the City, and budget and fiduciary
316 responsibilities.
317

318 **Board's Relationship with Administrative** 319 **Departments of the City**

320
321 4.13 Any request for services made to the administrative departments of the City shall be made by
322 the Board or its designee in writing to the City Manager. The Board may take action ~~[at a meeting]~~

323 to request such services at any lawfully scheduled meeting and the minutes of such [the] meeting
324 recording any such [the-] request may serve as the written request. The City Manager may approve
325 such request for assistance [from the Board] when he finds such requested services are available
326 within the administrative departments of the City, and that the Board has agreed to reimburse the
327 administrative department's budget for the costs of the [such-] services [so] provided.
328

329 Any requests for legal assistance [from the City Attorney] shall be made by the President or his/her
330 [its] designee to the City Attorney. The City Attorney may provide such assistance when such
331 services are available and the Board has agreed to reimburse the City for the cost of providing such
332 [the] legal services.
333

334 ARTICLE V

335 OFFICERS

336 Officers of the Corporation

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341 5.01 The elected officers of the Corporation shall be [a] President, Vice-President, [a] Secretary,
342 and [a-]Treasurer. The Board may resolve to elect one (1) or more [a]Assistant Secretaries or one (1)
343 or more Assistant Treasurers as it may consider desirable. Such officers shall have the authority and
344 perform the duties of such [the] offices as the Board may from time to time prescribe or as the
345 Secretary or Treasurer may from time to time delegate to his or her respective Assistant. Any two (2)
346 or more offices may be held by the same person, except that the President may [shall] not hold the
347 office of Secretary.
348

349 Selection of Officers

350
351 5.02 The initial officers shall be elected by the Board and shall serve for a term of one (1) year.
352 Upon [On] the expiration of the term of office of the original officers, the Board shall select
353 successors from among its Board members. [The term of office of e] Each officer's term of office
354 shall always be for a period of one (1) year; provided, however, [that] each officer shall continue to
355 serve until the election of his or her successor. Elections shall be held at the annual meeting of the
356 Board.
357

358 Vacancies

359
360 5.03 A vacancy [Vacancies] in any office, which occur by reason of death, resignation,
361 disqualification, removal, or otherwise, may be filled by appointment by the Board of Directors for
362 the unexpired portion of the term of that office, in the same manner as other officers are elected by
363 the Board.
364

365 President

366
367 5.04 The President shall be the presiding officer of the Board with the following authority:
368

- 369 1. ~~[Shall]~~ to preside over all meetings of the Board;
- 370
- 371 2. ~~[Shall have the right]~~ to vote on all matters coming before the Board;
- 372
- 373 3. ~~[Shall have the authority, upon notice to the members of the Board,]~~ to call a special
- 374 meeting of the Board upon notice to all Board members when, in his judgment, such
- 375 meeting is ~~[required]~~ necessary, and
- 376
- 377 ~~[4. Shall have the authority to appoint standing committees to aid and assist the Board in~~
- 378 ~~its business undertaking or other matters incidental to the operation and functions of~~
- 379 ~~the Board.~~
- 380
- 381 5. ~~Shall have the authority to appoint ad hoc committees which may address issues of a~~
- 382 ~~temporary nature or concern or which have a temporary effect on the business of the~~
- 383 ~~Board.]~~
- 384
- 385 ~~[6.]4. [Shall have the authority]~~ to cancel any regularly scheduled meeting of the Board
- 386 when there is no business to discuss, provided s/he gives notice to Board ~~[M]~~members
- 387 and to the public, of such cancellation, as provided in Section 4.07 hereof ~~[the~~
- 388 ~~cancellation no later than 72 hours prior to the regularly scheduled meeting].~~
- 389

390 In addition to the above mentioned duties and authority, the President shall sign, with the Secretary of

391 the Board, any deeds, mortgages, bonds, contracts, or other instruments, which the Board of Directors

392 has approved and unless ~~[the]~~ execution of said document has been expressly delegated to some other

393 officer or agent of the Corporation by appropriate Board resolution, by a specific provision of these

394 Bylaws, or by State statute subject to ~~[the]~~ approval by ~~[of]~~ the City Council. In general, the

395 President shall perform all duties incident to the office, and such other duties as shall be prescribed

396 from time to time by the Board of Directors.

397

398 Vice President

399

400 5.05 In the absence of the President, or in the event of his or her inability to act, the Vice President

401 shall perform the duties of the President. When so acting, the Vice President shall have all power of

402 and be subject to all the same restrictions as ~~[upon]~~ the President. The Vice President shall also

403 perform other duties as from time to time may be assigned to him or her by the President.

404

405 Secretary

406

407 5.06 The Secretary shall keep, or cause to be kept, at the Corporation's registered office, a record

408 of the minutes of all meetings of the Board and ~~[of]~~ any committees of the Board. The Secretary

409 shall also file a copy of all such ~~[said-M]~~ minutes with the City Secretary. Minutes are to be kept in

410 accordance with the provisions of these Bylaws, or as required by the Texas Open Meetings Act, ~~[of]~~

411 the Texas Open Records Act, or other applicable law. The minutes of all Board meetings shall be

412 placed on the agenda of the City Council for approval. In addition, the minutes shall be ratified by

413 the Corporation and it may also amend the minutes if errors are found. Minutes that have been

414 amended by the Corporation, after initial approval by the City Council, shall be resubmitted to City

415 Council for final approval. The Secretary shall be the custodian of the [~~corporate~~] records and seal of
416 the Corporation, and shall keep a register of the current mailing address and street address [~~if~~
417 ~~different,~~] of each [~~d~~]Director.

418 419 **Treasurer**

420
421 5.07 The Treasurer shall keep, or cause to be kept, at the Corporation's registered office, a record
422 of all receipts and expenditures of the funds of the Corporation. The Treasurer shall provide [~~see~~
423 ~~that~~] a written monthly financial report of income and expenditures, which report shall be mailed or
424 delivered to all members of the Board. The Treasurer shall, in general, perform all the duties incident
425 to that office, and such other duties as [~~from time to time~~] may be assigned to him/her from time to
426 time by the President of the Board.

427 428 **Assistant Secretaries and Assistant Treasurers**

429
430 5.08 The Assistant Secretaries and Assistant Treasurers, if any, shall, in general, perform such
431 duties as may be assigned to him/her [~~the respective assistant by the Secretary of Treasurer, or as may~~
432 ~~be assigned-~~] by the President or the Board of Directors.

433 434 **Employees**

435
436 5.09 The Corporation may, with approval by [~~of~~] the City Council, contract with the City of
437 Seabrook, or with another entity or individual, for such full or part-time employees as needed to carry
438 out the programs of the Corporation. These employees shall perform those duties outlined in such
439 [~~the~~] contract and assigned to them by the Board.

440 441 **Contracts for Service**

442
443 5.10 The Corporation may, with approval [~~of~~] by the City Council, contract with any qualified
444 and appropriate person, association, corporation, or governmental entity to perform and discharge
445 designated tasks, which will aid or assist the Board in the performance of its duties. However, no
446 such contract shall ever be approved or entered into if such contract [~~which~~] seeks or attempts to
447 divest the Board of Directors of any of its discretion and policy-making functions in discharging the
448 duties hereinabove set forth in this [~~s~~]Section.

449 450 **Bonds**

451
452 5.11 If the Corporation contracts with any entity other than the City for financial services, the
453 entity providing the financial service shall [~~will~~] be required to give[~~n~~] an official bond in the sum of
454 not less than One Hundred Thousand and No/100 Dollars (\$100,000.00). The bonds referred to in
455 this [~~s~~] Section shall be [~~considered~~] consideration for the faithful accounting of all monies and
456 things of value coming into the hands of such entities. The bonds shall be procured from [~~some~~
457 ~~regularly~~] an accredited surety company authorized to do business in the [~~s~~] State [~~.~~] of Texas and a
458 [~~A~~] a copy of such bond shall be filed with the Corporation and with the City Secretary.

459

460 If the Corporation does not elect to contract for financial services with the City of Seabrook or
461 an outside entity, the President, Vice President, and Treasurer of the Board shall each give an official
462 bond in the sum of not less than One Hundred Thousand and No/100 Dollars (\$100,000.00). The
463 bond referred to in this [s] Section shall be [~~considered~~] consideration for the faithful accounting of
464 all monies and things of value coming into the hands of such entities. The bonds shall be procured
465 from [~~some regularly~~] an accredited surety company authorized to do business in the [s] State [-] of
466 Texas and the premiums therefore shall be paid by the Corporation. A copy of each officer's bond
467 shall be filed with the Corporation and with the City Secretary.

468 SECTION VI

469 COMMITTEES

470 Qualifications for Committee Membership

471 Members of committees shall be appointed [~~by the President, and approved~~] by the Board.

472 Standing Committees

473 The Board of Directors may [~~appoint~~] create standing or special committees with such duties and
474 powers as the Board [~~it~~] deems appropriate.

475 Special Committees

476 6.03 [~~The president may determine from time to time that other committees are necessary or~~
477 ~~appropriate to assist the Board of Directors, and shall designate, subject to Board approval, the~~
478 ~~members of the respective committees.~~] No such committee shall have the independent authority to
479 act for or in place [~~instead~~] of the Board of Directors with regard to the following manners:
480 amending, altering, or repealing these Bylaws; electing, appointing, or removing any member of any
481 such committee or any Director or officer of the Corporation; amending the Corporation's Articles of
482 Incorporation; adopting a plan of merger or adopting a plan of lease, exchange, or mortgage of all or
483 substantially all of the property and assets of the Corporation; authorizing the voluntary dissolution of
484 the Corporation or revoking any proceedings thereof; adopting a plan for the distribution of the
485 assets of the Corporation; or amending, altering, or repealing any resolution of the Board of
486 Directors, which by its terms provides that it shall not be amended, altered, or repealed by such
487 committee.

488 The designation and appointment of any such committee, and delegation to that committee of
489 authority, shall not operate to relieve the Board of Directors, or any individual Director, of any
490 responsibility imposed upon it or upon him/her by law.

491 Term of Office of Committee Members

492 6.04 Each member of a committee shall serve [~~continue as such~~] until the next annual appointment
493 of the Board of Directors and until his or her successor [~~on the committee~~] is appointed, unless the
494

505 committee ~~[shall be sooner]~~ is terminated sooner, or unless such member has ceased to serve on the
506 Board of Directors, or ~~[unless such member be]~~ is removed from such committee.
507

508 6.05 Any committee member may be removed from a committee [membership] by the ~~[President,~~
509 ~~with]~~ Board ~~[approval,]~~ whenever in its [their] judgment the best interests of the Corporation would
510 be served by such removal.
511

512 **Vacancies on Committees**

513
514 Vacancies in the membership of any committee may be filled in the same manner as provided with
515 regard to the original appointments to such [that] committee.
516

517 **Ex -Officio Members**

518
519 Members of the ~~[EDC-II]~~ Board of Directors, the City Manager, or his designee, and the Economic
520 Development Director [and the Mayor or his designee] may attend any [all] executive, private or
521 public meetings of a [the Board of Directors or Committees] committee, including executive,
522 private or public. These representatives shall not have the power to vote in any committee meetings
523 they attend. Their attendance shall be for the purpose of ensuring that information about ~~[the]~~ such
524 meetings is accurately communicated to the City Council and to satisfy the City Council's obligation
525 to control the powers of the Corporation.
526

527 **SECTION VII**

528 **FINANCIAL ADMINISTRATION**

529
530
531 The Corporation shall employ the City, at the City's actual cost, to perform the Corporation's
532 financial and accounting requirements, including an annual audited financial statement of all funds.
533 The Corporation's financing and accounting records shall be maintained according to the following
534 guidelines:
535

536 **Fiscal Year**

537
538 7.01 The fiscal year of the Corporation shall begin on October 1 and end on September 30 of the
539 following year.
540

541 **Budget**

542
543 7.02 A budget for the forthcoming fiscal year shall be submitted to, and approved by, the Board of
544 Directors and the City Council of the City of Seabrook.
545

546 **Contracts**

547
548 7.03 As provided in Article V above, the President and Secretary shall execute any contracts or
549 other instruments, which the Board has approved and authorized to be executed; provided, however,
550 ~~[that]~~ the Board may, by appropriate resolution, authorize any other officer or officers or any other

551 agent or agents, to enter into contracts or execute and deliver any instrument in the name and on
552 behalf of the Corporation. Such authority may be confined to specific instances or defined in general
553 terms. When appropriate, the Board may grant a specific or general power of attorney to carry out
554 some action on behalf of the Board; provided, however, ~~[that]~~ no such power of attorney may be
555 granted unless an appropriate resolution of the Board authorizes the same to be performed, ~~[done]~~
556 subject to ~~[the]~~ approval ~~[of the]~~ by City Council.

557 558 559 560 **Checks and Drafts**

561
562 7.04 All checks, drafts, or orders for the payment of money, notes, or other evidences of
563 indebtedness issued in the name of the Corporation shall be approved by the Board and ~~[signed by~~
564 ~~two officers of the corporation or their designees. Any such expenditures in the amount of \$5,000.00~~
565 ~~or more shall also be approved]~~ by the City Council.

566 567 **Deposits**

568
569 7.05 All funds of the Corporation shall be deposited, on a regular basis, to the credit of the
570 Corporation in a local bank, which shall be federally insured and shall be selected following the
571 procedures and requirements for selecting a depository as set forth in Chapter 105 of the Texas Local
572 Government Code.

573 574 **Gifts**

575
576 7.06 The Corporation may accept any contribution, gift, bequest, or device for the general purpose
577 or for any special purposes of the Corporation.

578 579 **Purchasing**

580
581 7.07 All purchases made and contracts executed by the Corporation shall be made in accordance
582 with the requirements of the Texas Constitution and laws ~~[Statues-]~~ of the State of Texas.

583 584 **Investments**

585
586 7.08 Temporary and idle funds, which are not needed for immediate obligations of the Corporation,
587 may be invested in any legal manner as provided in Chapter 2256 of the Texas Government Code.
588 [Tex. Rev. Civ. Stat. Ann. Art. c 2 (] the Public Funds Investment Act.

589 590 **Bonds**

591
592 7.09 Any bonds issued by the Corporation shall be in accordance with the governing statute,
593 [governing this corporation] but in any event, ~~[no]~~ bonds shall not be issued without review and
594 comment by the City's bond counsel and financial advisor and approval by ~~[of]~~ the Seabrook-City
595 Council ~~[after review and comment by the City's bond counsel and financial advisor].~~

596

597 **Uncommitted Funds**

598 7.10 Any [~~uncommitted~~] funds of the Corporation that are uncommitted at the end of the fiscal
600 year shall be considered a part of the Fund Balance of the Corporation.

601
602 The undesignated Fund Balance may be designated [~~committed~~] for any legal purpose,
603 provided both the Corporation's Board of Directors and the City Council [~~both~~] approve such
604 commitment. This designation may include the establishment of a Permanent Reserve Fund, which
605 shall be accumulated for the purpose of using the interest earnings of such [~~f~~]Fund to finance [~~the~~]
606 operation of the [~~e~~]Corporation.

607 **Monthly Reports**

608
609 The City financial officer shall [~~will~~] provide to the Board of Directors a monthly report of all
610 matters required, permitted, or performed, [~~done~~] pursuant to Sections 7.03 thru 7.08 above, or as
611 provided by the terms of any by contract.

612 **Annual Audit**

613
614
615 7.12 The City of Seabrook, or any other contractual entity providing financial services to the
616 Corporation, shall [~~will~~] provide to the Board of Directors an annual audited financial statement of
617 all funds. This audit shall [~~is to~~] be prepared by a competent independent audit firm as soon as
618 practical following the end of each fiscal year.

619 **SECTION VIII**

620 **BOOKS AND RECORDS**

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624 The Corporation shall keep correct and complete books and records of all actions of the Corporation,
625 including books and records of accounts and the minutes of meetings of the Board of Directors and of
626 any committee having any authority of the Board and to the City Council. All such books and
627 records [~~of the Corporation~~] may be inspected by the City Council and the Directors of the
628 Corporation, or his/her agents or attorneys, at any reasonable time; and any information that [~~which~~]
629 may be designated by law as public information [~~by law~~] shall be open to public inspection at any
630 reasonable time. The Texas Open Records Act and the Texas Open Meetings Act shall apply to any
631 disclosure of public information.

632 **SECTION IX**

633 **SEAL**

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637 The Board of Directors shall obtain a corporate seal which shall bear the words "Corporate Seal of
638 Seabrook Economic Development Corporation II"; thereafter, the Board may [~~thereafter~~] use the
639 corporate seal and may later alter said [~~the~~] seal as necessary, without changing the corporate name;
640 however, [~~but~~] these Bylaws shall not be construed to require the use of the corporate seal.

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SECTION X

PROGRAM

Authorization

10.01 The Corporation shall carry out its programs, subject to its Article of Incorporation, these Bylaws, [and] the Development Corporation Act, and such resolutions as the Board may authorize from time to time [~~authorize~~].

10.02 The programs of the Corporation shall for the [~~be to~~] assistance, stimulat[e]ion, and enhancement of economic development within the City of Seabrook, Texas, subject to all applicable State and Federal law, these Bylaws, and [~~the~~] its Articles of Incorporation.

SECTION XI

PARLIAMENTARY AUTHORITY

Amendments to Bylaws

These Bylaws may be amended or repealed, and new Bylaws may be adopted, by an affirmative vote of not less than five (5) of the authorized Directors serving on the Board; provided, however, [that] at least ten (10) days prior to the meeting at which such action is taken, written notice setting forth the proposed action shall have been given to all [the] Directors, and to the public [~~notice regarding such action given according to~~] in accordance with the requirements of the Texas Open Meetings Act, and Open Records Act.

Notwithstanding the foregoing, no amendment or new Bylaw shall become effective until approved by [unless] the City Council [~~approves the amendment or new Bylaw~~].

SECTION XII

DISSOLUTION

On Petition of Voters

12.01 [~~On~~] Upon a petition signed by ten percent (10%) [~~of~~] or more of the registered voters of the City of Seabrook requesting an election to dissolve [~~on the dissolution of~~] the Corporation, the City Council shall order an election to be held on such [the] issue, which [~~The~~] election must be conducted according to the applicable provisions of the Texas Election Code. The ballot for said [the] election shall be printed to provide for voting for or against the proposition as follows:

“Dissolution of the Seabrook Economic Development Corporation II”

686 If a majority of voters [voting on the issue] approve such [the] dissolution, the Corporation shall
687 continue operations only as long as is necessary to pay the principal [of] and interest on its bonds,
688 and to meet obligations incurred before the date of the election and, to the extent practicable, shall
689 dispose of all of its assets and apply the proceeds thereof to satisfy those obligations. When the last of
690 these obligations is satisfied, any remaining assets of the Corporation shall be transferred to the City,
691 and the Corporation shall then be considered [is] dissolved.

692 693 694 695 **Voluntary Dissolution**

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697 12.02 The Corporation may cease its corporate activities and terminate its existence by voluntary
698 dissolution as provided in the [Development Corporation:] Act [of 1979].
699

700 **SECTION XIII**

701 **INDEMNITY**

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704 The Corporation hereby agrees to indemnify and hold harmless each current or former
705 Director or Officer of the Corporation from and against any costs, expenses (including attorney's
706 fees), fines, settlements, judgments, liabilities, and other amounts, actually and reasonably incurred
707 by such person in any action, suit, or proceeding to which he or she is made a party by reason of
708 holding such position [as Officer or Director]; provided, however, [that] such Officer or Director
709 shall not receive such indemnification if he/she is finally adjudicated [in such instances] to be liable
710 for negligence or misconduct with [in] respect to [of] the matter for [in] which indemnity is sought.
711 The indemnification herein provided shall also extend to good faith expenditures incurred in
712 anticipation or, or preparation for, threatened or proposed litigation. The Board of Directors may, in
713 proper case, extend [the] this indemnification to cover the good faith settlement of any such action,
714 suit, or proceedings, whether formally instituted or not.

715
716 Furthermore, to the extent allowed by law, the Corporation agrees to indemnify and hold harmless
717 and defend the City of Seabrook, its officers, agents, and its employees, from and against liability for
718 any and all claims, liens, suits, demands, and/or actions for damages, injuries to persons (including
719 death), property damage (including loss of use), and expenses, including court costs and attorneys'
720 fees and other reasonable costs arising out of or resulting from the Corporation's activities, and from
721 any liability arising out of or resulting from the intentional acts or negligence, including all such
722 causes of action based upon common, constitutional, or statutory law, or based in whole or in part
723 upon the negligent or intentional acts or omissions of the Corporation, including but not limited to its
724 officers, agents, employees, licensees, invitees, and other persons.

725
726 It is further agreed that, with respect to the above indemnity, [that] the City of Seabrook and the
727 Corporation will provide each [the] other with prompt and timely notice of any event covered that
728 [which] in any way, directly or indirectly, contingently or otherwise, affects or might affect the
729 Corporation or the City of Seabrook, and the City [of Seabrook] shall have the right to compromise
730 and defend the same to the extent of its own interests. It is further agreed that this indemnity clause
731 shall be an additional remedy to the City of Seabrook and not an exclusive remedy.

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SECTION XIV
MISCELLANEOUS

Relation to Articles of Incorporation

These Bylaws are subject to, and governed by, the Corporation's Articles of Incorporation, [and] applicable State statutes under which the Corporation is organized. and the Charter and ordinances of the City of Seabrook..

CERTIFICATE

This is to certify that the foregoing is a true and correct copy of the amended Bylaws of the Corporation and that such Bylaws were duly amended and adopted by the Board of Directors of the Corporation on the date set forth below.

Adopted as amended, by the Board of Directors on the 4th day of April, 2002.

Buddy Hammann, President

ATTEST:

John Buhman, Secretary

These Bylaws were approved by [the City of Seabrook by] Resolution No. 2002-11, adopted by the City Council of the City of Seabrook on the 16th day of April, 2002.

Jack C. Fryday, Mayor

778 ATTEST:
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783 Michele Glaser, TRMC
784 City Secretary