

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

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34 THAT, the Bylaws of the Seabrook Economic Development Corporation II are hereby
35 amended as outlined in Exhibit "A" and as recommended by the Board of Directors of the Seabrook
36 Economic Development Corporation II.

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38 PASSED, APPROVED, AND RESOLVED this 5th day of September 2006.

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46 ATTEST:

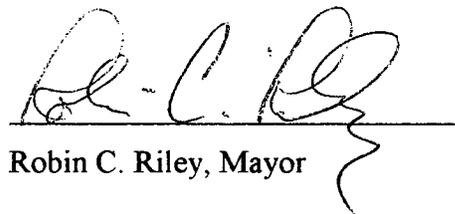
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50 Michele L. Glaser, TRMC

51 City Secretary



Robin C. Riley, Mayor

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BYLAWS
OF
SEABROOK ECONOMIC DEVELOPMENT CORPORATION [H]

ARTICLE ONE

OFFICE[S] AND AGENT

Principal Office

1.01 The principal office of the Seabrook Economic Development Corporation [H] (hereinafter ~~referred to as~~
~~"SEDC II" or~~ the "Corporation") ~~with~~ in the State of Texas shall be located at 1700 First Street, Seabrook,
Texas or such other location as may be determined by the Board of Directors, approved by City Council,
and recorded with the Secretary of State.

Registered Office and ~~[Registered]~~ Agent

1.02 The Corporation is incorporated under and shall comply with the requirements of the Texas Non-Profit
Corporation Act and the Development Corporation Act of 1979 and shall have or designate a registered agent
whose office ~~[address]~~ is identical ~~[to such]~~ with the registered office. The registered office may be, but need
not be, identical to 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
~~[in said Act]~~ by law. ~~[The initial registered office of the Corporation shall be located at 1700 First Street,~~
~~Seabrook, Texas, and the initial registered agent at such address shall be Charles W. Pinto.]~~

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ARTICLE TWO

PURPOSE

2.01 The Corporation is a non-profit corporation specifically governed by ~~[Article 5190.6, Vernon's Texas Civil Statutes, Section 4B, and the Development Corporation Act of 1979.]~~ **Section 4B of the Texas Development Corporation Act of 1979, Texas Revised Civil Statutes, art. 5190.6(4)(B) (hereinafter referred to the "Act."**

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.]~~ **as legally allowable to encourage and promote the general economic welfare of the City, its residents and businesses using ways and means authorized by the State Legislature in the Act as amended.** The Corporation may expend resources and/or offer approved incentives for various business facilities, ~~[and for]~~ the enhancement of the community through the development and/or expansion of public improvements, such as, but not limited to, athletic[s,] parks, tourism, and entertainment facilities. The Corporation may also assist in certain public facilities, transportation and infrastructure improvements, or other business-related improvements relating to existing or anticipated business entities.

ARTICLE THREE

MEMBERS

The Corporation shall have no members **and is a non-stock corporation. The word "member" may be used in these Bylaws in reference to those appointed to serve as Directors or on committees, but does not imply or confer any corporate membership or ownership status.**

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ARTICLE FOUR

BOARD OF DIRECTORS

Management of the Corporation

4.01 The affairs of the Corporation shall be managed and controlled by its Board of Directors and subject to the restrictions imposed by law, the Articles of Incorporation and the Bylaws, the Board shall exercise all of the powers of the Corporation.

Number, Qualifications, and Tenure of Directors

The number of directors shall be seven (7). Directors shall be appointed by the City council for ~~one~~ **two** year terms of office. A director may be removed by the City Council at any time without cause. Each director shall be a resident of the City of Seabrook. The Mayor and Mayor Pro Tem shall be two of the directors. The remaining directors shall be persons who are not employees or officers of the City or members of the City Council of the City.

Vacancies

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

Ex Officio [Members] Representatives of the Board

4.04 The City Manager and the Economic Development ~~[Director]~~ **Administrator** shall serve as ex officio ~~[members]~~ representatives of the Board and may attend all meetings ~~[including]~~ **of the Board or its Committees including executive[, private or public.] sessions.** They shall not have the power to vote. In addition, the Board

133 of Directors may appoint representatives from area organizations to serve as Ex Officio, non-voting members of
134 the Board.

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General Duties of the Board

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139 4.05 The Board is hereby required to perform the following duties:

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141 ~~4.~~a. In cooperation with the Seabrook Economic Development Corporation I, the Board shall
142 develop or cause to be developed, an overall economic development plan for the City, which
143 shall include and set short term goals and long-term goals that the Board deems necessary to
144 accomplish its purpose as stated in Section 2.01 hereof. Such plan shall require approval by
145 the City Council of the City and shall include the following elements:

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147 ~~[(a)]~~1. An economic development strategy to ~~permanently~~ bolster the business climate
148 throughout the City.

149

150 ~~[(b)]~~2. Strategies to fully utilize the assets of the City, ~~to~~ which enhance economic
151 development.

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153 ~~[(c)]~~3. Identification of strategies to coordinate public, private, and academic resources to
154 develop and enhance business opportunities ~~for all citizens of the City of Seabrook.~~

155

156 ~~[(d)]~~4. Assurance of accountability of all tax monies expended by the Corporation for
157 implementation of the overall economic development plan.

158

159 ~~[(e)]~~5. Identification of strategies and provisions for implementation of identified strategies
160 for economic development as defined in this Section.

161

162 ~~[(f)]~~6. An annual work plan outlining the anticipated activities, tasks, projects, and programs to
163 be undertaken by the Board during the upcoming fiscal year. The annual work plan

164 shall be submitted with the Corporation's annual budget, as outlined in Section 7.02 of
165 these Bylaws.

166
167 [2.]**b.** The Board shall review the overall economic development plan [~~annually~~] **at least once each**
168 **year** to ensure that said plan is up-to-date with the current economic climate [~~and is capable of~~
169 ~~meeting the City's current economic development needs.~~]

170
171 [3.]**c.** The Board shall expend, in accordance with State law, any tax funds received by it on **direct**
172 economic development. As used herein, "**direct** economic development" shall mean the
173 expenditure of such tax funds for programs that **directly** [~~create~~] **accomplish** or aid in the
174 **accomplishment of** [~~creation of identifiable~~] **creating identifiable** new jobs or retaining
175 identifiable existing jobs, including [~~programs for~~] job training and/or [~~for~~] planning **and**
176 [~~advertising~~] research activities necessary to promote said job creation [~~and retention~~]. [~~The~~
177 ~~Corporation's primary focus will be in the areas of:~~

- 178
179 ~~_____ (a) Business and industry retention and expansion;~~
180 ~~_____ (b) Formation of new businesses and industries;~~
181 ~~_____ (c) Business and industry attraction; and~~
182 ~~_____ (d) Other activities as allowed by law.]~~

183
184 Tax proceeds **may** be used[, ~~in accordance with State law,~~] to:

185
186 [(a)]**1.** pay the costs of projects found by the Board to be required or suitable for use for
187 professional and amateur (including children's) sports, athletic, entertainment, tourist,
188 convention, and public park purposes and events, including stadiums, ball parks,
189 auditoriums, amphitheaters, concert halls, learning centers, parks and park facilities,
190 and related space improvements, municipal buildings, museums, exhibition facilities,
191 and related store, restaurant, concession, and automobile parking facilities, related area
192 transportation facilities, and related roads, streets, and water and sewer facilities, and
193 other related improvement that enhance any of those items; or

195 **[(b)] 2.** pay the principal of, interest on, and other costs relating to bonds or other obligations
196 issued by the Corporation to pay the costs of the projects or to refund bonds or other
197 obligations issued to pay the costs of such projects.

198
199 **[5.]d.** The Board may contract with the City of Seabrook, or with another entity, for administrative
200 services. The Board may plan and direct its work through a designated employee of the City of
201 Seabrook, or other contractual entity, who will be charged with the responsibility of carrying out
202 the Corporation's plan and program as adopted by the Board.

203
204 **[6.]e.** The ~~[Corporation]~~ **Board** shall make reports to the City Council **of the City of Seabrook. The**
205 **Board shall discharge this requirement by reporting to the City Council** in the following
206 manner:

207
208 **[(a)]** The ~~[Corporation]~~ **Board** shall make a detailed report to the City Council once each
209 year **no later than November 1.** ~~[and-s]~~Such report shall include, but not be limited to,
210 the following:

211
212 (1) A review of all expenditures made by the Board in connection with their activities
213 involving direct economic development as defined in this Section together with
214 a report of all other expenditures made by the Board.

215
216 (2) A review of the accomplishments of the Board in the area of direct economic
217 development.

218
219 (3) The policies and strategy followed by the Board in relation to direct economic
220 development, together with any new or proposed changes in said policies and
221 strategy.

222
223 (4) The activities of the Board for the budget year addressed in said annual report,
224 together with any proposed change in said **activity or** activities as they relate
225 to direct economic development.

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(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 the City Council no later than February 1 of each year.]~~

~~[(7)]~~ (6) The annual report shall be considered by the City Council for its review and acceptance.

~~[(b)]~~f. The 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 later than ~~[June]~~ May 1. Such report shall include, but not be limited to, ~~[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-month reporting period, together with recommendations to meet short-term challenges.

(3) Long-term issues to be addressed 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 and any commitment made on said unused funds.

257
258 [7. ~~The Board shall have the authority to appoint standing committees to aid and assist the Board~~
259 ~~in its business undertaking or other matters incidental to the operation and functions of the~~
260 ~~Board.]~~

261
262 [~~8. The Board shall have the authority to appoint ad hoc committees that may address issues of a~~
263 ~~temporary nature or concern or that have a temporary effect on the business of the Board.]~~

266 Implied Duties

267
268 4.06 The Corporation is authorized to do that which the Board deems desirable to accomplish any of the
269 purposes or duties set out in Sections 2.01 and 4.05 of these Bylaws and in accordance with State law.

271 Meetings

272
273 4.07 The Board shall hold an annual meeting within 60 days of appointment of the Board, and shall hold
274 regular meetings as determined at that annual meeting. [~~no fewer than four (4) regularly scheduled meetings~~
275 ~~per year, at times and dates to be decided by the Board. At least one (1) meeting per year shall be held in joint~~
276 ~~session with the Economic Development Corporation I, at a time and date agreed to by both Boards.] The~~
277 President may call special meetings when, in his judgment, such meetings are [necessary] required. [All
278 meetings of the Corporation shall be held at City Hall or another facility within the city.] If there is no business to
279 discuss, the President shall notify the [Board] Directors[~~not less than seventy two (72) hours prior to the~~
280 ~~scheduled meeting,]~~ that the meeting has been cancelled. [~~Notice of any such cancellation shall be posted at~~
281 ~~City Hall not less than seventy two (72) hours prior to the regularly scheduled meeting.] **All meetings of the**
282 **Board shall provide notice and be conducted as provided for and** [Notice of all meetings of the Corporation
283 shall be given to the public] in accordance with the requirements of the Texas Open Meetings Act, **Texas**
284 **Government Code** Chapter 551, [~~et seq. of the Texas Government Code~~] **as amended**. [The notice shall
285 contain information regarding the time, date, and location of any such meeting and the agenda items to be
286 considered. All meetings shall be conducted in accordance with the Texas Open Meetings Act.]~~

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

289

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Attendance

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292 4.08 Regular attendance at the Board meetings is required of [~~all Board members~~] **each Director**. The
293 following number of absences may constitute the need for replacement of a [~~member~~] **Director**: [~~five (5)~~] **three**
294 **(3)** consecutive absences or attendance reflecting unexcused absences constituting fifty percent (50%) of the
295 regularly scheduled meetings over any twelve (12) month period. In the event replacement is indicated, the
296 [~~Board member~~] **Director** will be counseled by the President and, subsequently, the President shall submit, in
297 writing to the City Secretary, **to be forwarded to the City Council**, [~~a statement informing City Council of~~] the
298 need to replace the [~~Board member~~] **Director** in question.

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Quorum

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302 4.09 For the purposes of convening a meeting and transacting the business of the Corporation at any
303 meeting, a majority of the Board shall constitute a quorum. If there is an insufficient number of Directors present
304 to convene a meeting and transact business, the presiding officer shall adjourn such meeting.

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306

Compensation

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308 4.10 The duly appointed [~~Board members~~] **Directors** shall serve without compensation, but shall be
309 reimbursed, in accordance with State law, for actual or commensurate costs of travel, lodging, and/or incidental
310 expenses incurred while performing official business of the Board.

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312

Voting; Action of the Board of Directors

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314 4.11 Directors must be present in order to vote at any meeting. Unless otherwise provided in these Bylaws,
315 the Corporation's Articles of Incorporation, or as required by law, the act of a simple majority of the Directors
316 present at any meeting **is sufficient to constitute action of the Board and authorize the President of the**
317 **Board or the Administrator, to take further action. For any vote or item presented for action to the**
318 **Board**, for which a Director is aware of a conflict of interest or potential conflict of interest, with regard to any

319 particular vote, the Director shall bring the same to the attention of the **Board, file any affidavit required to be**
320 **filed by state law,** ~~[meeting]~~ and shall abstain from **discussion and** ~~[the vote.]~~**voting.** ~~[unless the Board~~
321 ~~determines that no conflict of interest exists.]~~ Any Director may bring any apparent conflict of interest to the
322 attention of the Board before any vote shall be taken regarding that particular matter. ~~[The Director who has had~~
323 ~~a question raised regarding a possible conflict of interest shall refrain from voting on any such matter.]~~

324 325 **Board's Relationship with City Council**

326
327 4.12 In accordance with State law, the City Council shall require the Corporation to be responsible for the
328 proper discharge of the duties assigned in this Article. All policies for program administration shall be submitted
329 for City Council approval, and the Board shall administer said programs accordingly. The Board shall determine
330 its policies and direction within the limitations of the duties herein imposed, by applicable laws, the Corporation's
331 Articles of Incorporation, these Bylaws, contracts entered into with the City, and budget and fiduciary
332 responsibilities.

333 334 **[Board's Relationship with Administrative]**

335 **[Departments of the City]**

336
337 4.13 **The Corporation may, with approval of the City Council, contract with the City of Seabrook, or**
338 **with another entity or individual, for such full or part-time employees as needed to carry out the**
339 **programs of the Corporation. These employees shall perform those duties outlined with state law,**
340 **include such employees within its retirement and insurance plans, provided the Corporation reimburses**
341 **the City for such costs.**

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343
344 **4.14 The Corporation and the City may agree in writing for the provision of required administrative**
345 **services necessary for the operation of the Corporation, whether in addition to or in place of any**
346 **Corporation employees. Such services shall be reimbursed to the City by the Corporation at actual cost.**

347 Any request for services made to the administrative departments of the City shall be made by the Board or its
348 designee in writing to the City Manager. ~~[The Board may take action to request such services at any lawfully~~
349 ~~scheduled meeting and the minutes of such meeting recording any such request may serve as the written~~

350 request.] The City Manager may approve such request for assistance when he finds such requested services
351 are available within the administrative departments of the City, and that the Board has agreed to reimburse the
352 administrative department's budget for the costs of the services provided.

353
354 ~~[Any requests for legal assistance shall be made by the President or his/her designee to the City Attorney. The~~
355 ~~City Attorney may provide such assistance when such services are available and the Board has agreed to~~
356 ~~reimburse the City for the cost of providing such legal services.]~~

357
358 **4.15 The Board is authorized to hire its own legal counsel.**

359
360 **4.16 The Corporation may, with approval of the City Council, contract with any qualified and**
361 **appropriate person, association, Corporation, or governmental entity to perform and discharge**
362 **designated tasks which will aid or assist the Board in the performance of its duties. However, no such**
363 **contract shall ever be approved or entered into which seeks or attempts to divest the Board of Directors**
364 **of its discretion and policy-making functions in discharging the duties hereinabove set forth.**

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367 **ARTICLE [V]FIVE**

368
369 **OFFICERS**

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371 **Officers of the Corporation**

372
373 5.01 The elected officers of the Corporation shall be President, Vice-President, Secretary, and Treasurer.
374 The Board may resolve to elect one ~~[(1)]~~ or more Assistant Secretaries or one ~~[(1)]~~ or more Assistant Treasurers
375 as it may consider desirable. Such officers shall have the authority and perform the duties of ~~[such]~~ **their**
376 **office[s]** as the Board may from time to time prescribe or as the Secretary or Treasurer may from time to time
377 delegate to his or her respective Assistant. ~~[Any two (2) or more offices may be held by the same person,~~
378 ~~except that the President may not hold the office of Secretary.]~~ **No Director shall hold more than one office at**
379 **any time.**

381 **Selection of Officers**

382
383 5.02 The ~~[initial]~~ officers shall be elected by the Board and shall serve for a term of one (1) year. ~~[Upon the~~
384 ~~expiration of the term of office of the original officers, the Board shall select successors from among its Board~~
385 ~~members.]~~ **The term of office of each officer** ~~[Each officer's term of office]~~ shall always be for a period of one
386 (1) year; provided, however, each officer shall continue to serve until the election of his or her successor **unless**
387 **such Director has been replaced.** Elections shall be held at the annual meeting of the Board.

388
389 **Vacancies**

390
391 5.03 A vacancy in any office, which occur by reason of death, resignation, disqualification, removal, or
392 otherwise, may be filled by appointment by the Board of Directors for the unexpired portion of the term of that
393 office, in the same manner as other officers are elected by the Board.

394
395 **President**

396
397 5.04 The President shall be the presiding officer of the Board. **In general, the President shall perform all**
398 **duties incident to the office, and such other duties as shall be prescribed from time to time by the Board**
399 **of Directors. The President shall also have** ~~[with the]~~ following **specific** authority:

400
401 [4.]**a.** [to] **Shall** preside over all meetings of the Board;

402
403 [2.]**b.** **Shall have the right** to vote on all matters coming before the Board;

404
405 [3.]**c.** **Shall have the authority, upon notice of the Board,** to call a special meeting of the Board
406 upon notice to all Board members when, in his judgment, such meeting is ~~[necessary, and]~~
407 **required.**

408
409 [4.]**d.** **Shall have the authority to appoint standing committees to aid and assist the Board in its**
410 **business undertaking or other matters incidental to the operation and functions of the**
411 **Board.**

412

413 e. Shall have the authority to appoint ad hoc committees which may address issues of a
414 temporary nature or concern or which have a temporary effect on the business of the
415 Board.

416

417 f. Shall have the authority to cancel any regularly scheduled meeting of the Board when there is
418 no business to discuss, provided s/he gives notice to the Board [members] and to the public[,
419 of such cancellation, as provided in Section 4.07 hereof.] of the cancellation no later than 72
420 hours prior to the regularly scheduled meeting.

421

422 In addition to the above mentioned duties and authority, the President shall sign, with the Secretary of the Board,
423 any resolutions, policies, deeds, mortgages, bonds, contracts, or other instruments, which the Board of
424 Directors has approved and unless execution of said document has been expressly delegated to some other
425 officer or agent of the Corporation by appropriate Board resolution, by a specific provision of these Bylaws, or by
426 State statute subject to approval by the City Council, which approval shall be noted thereon. In general, the
427 President shall perform all duties incident to the office, and such other duties as shall be prescribed from time to
428 time by the Board of Directors.

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430

Vice President

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432 5.05 In the absence of the President, or in the event of his or her inability to act, the Vice President shall
433 perform the duties of the President. When so acting, the Vice President shall have all powers of and be subject
434 to all the same restrictions as the President. The Vice President shall also perform other duties as from time to
435 time may be assigned to him or her by the President.

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437

Secretary

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439 5.06 The Secretary shall keep, or cause to be kept, at the [Corporation's] registered office, a record of the
440 minutes of all meetings of the Board and of any committee of the Board. The Secretary shall also file a copy of
441 [~~all such~~] said [~~m~~] Minutes with the City Secretary. Minutes are to be kept in accordance with the provisions of
442 these Bylaws, or as required by the Texas Open Meetings Act, the Texas [~~Open Records~~] Public Information

443 Act, the Records Retention Act, or other applicable law. [~~The minutes of all Board meetings shall be placed on~~
444 ~~the agenda of the City Council for approval. In addition, the minutes shall be ratified by the Corporation and it~~
445 ~~may also amend the minutes if errors are found. Minutes that have been amended by the Corporation, after~~
446 ~~initial approval by the City Council, shall be resubmitted to City Council for final approval.] The Secretary shall be
447 the custodian of the records and seal of the Corporation, and shall keep a register of the current mailing address
448 and street address, if different, of each Director.~~

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450

451 **Treasurer**

452

453 5.07 The Treasurer shall keep, or cause to be kept, at the Corporation's registered office, a record of all
454 receipts and expenditures of the funds of the Corporation. The Treasurer shall provide a written monthly
455 financial report of income and expenditures, which report shall be mailed or delivered to all [~~members~~] **Directors**
456 of the Board. The Treasurer shall, in general, perform all the duties incident to that office and such other duties
457 as may be assigned to him/her from time to time by the President of the Board.

458

459 **Assistant Secretaries and Assistant Treasurers**

460

461 5.08 The Assistant Secretaries and Assistant Treasurers, if any, shall, in general, perform such duties as may
462 be assigned to [~~him/her by the President or the Board of Directors~~] to the respective assistant by the
463 Secretary or Treasurer, or as may be assigned by the President or the Board of Directors.

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465 **[Employees]**

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467 [~~5.09 The Corporation may, with approval by the City Council, contract with the City of Seabrook, or with~~
468 ~~another entity or individual, for such full or part-time employees as needed to carry out the programs of the~~
469 ~~Corporation. These employees shall perform those duties outlined in such contract and assigned to them by~~
470 ~~the Board.]~~

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472

[Contracts for Service]

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474 ~~[5.10 The Corporation may, with approval by the City Council, contract with any qualified and appropriate~~
475 ~~person, association, corporation, or governmental entity to perform and discharge designated tasks, which will~~
476 ~~aid or assist the Board in the performance of its duties. However, no such contract shall ever be approved or~~
477 ~~entered into if such contract seeks or attempts to divest the Board of Directors of any of its discretion and~~
478 ~~policy-making functions in discharging the duties hereinabove set forth in this Section.]~~

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480

[Bonds]

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482 ~~[5.11 If the Corporation contracts with any entity other than the City for financial services, the entity providing~~
483 ~~the financial service shall be required to give an official bond in the sum of not less than One Hundred~~
484 ~~Thousand and No/100 Dollars (\$100,000.00). The bond referred to in this Section shall be consideration for~~
485 ~~the faithful accounting of all monies and things of value coming into the hands of such entities. The bonds shall~~
486 ~~be procured from an accredited surety company authorized to do business in the State of Texas and a copy~~
487 ~~of such bond shall be filed with the Corporation and with the City Secretary.]~~

488

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

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[SECTION VI] ARTICLE SIX

COMMITTEES

[Qualifications for Committee Membership]

~~[Members of committees shall be appointed by the Board.]~~

Standing Committees

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

Special Committees

6.02 The Board of Directors may determine from time to time that other committees are necessary or appropriate to assist the Board of Directors, and shall designate, subject to Board approval, the Directors of the respective committees.

Limitation on Committee Authority

6.03 No such committee shall have the independent authority to act for or ~~[in place]~~ **instead** of the Board of Directors ~~[with regard to the following manners: amending, altering, or repealing these Bylaws; electing, appointing, or removing any member of any such committee or any Director or officer of the Corporation; amending the Corporation's Articles of Incorporation; adopting a plan of merger or adopting a plan of lease, exchange, or mortgage of all or substantially all of the property and assets of the Corporation; authorizing the voluntary dissolution of the Corporation or revoking any proceeding thereof; adopting a plan for the distribution of the assets of the Corporation; or amending, altering, or repealing any resolution of the Board of Directors,~~

527 ~~which by its terms provides that it shall not be amended, altered, or repealed by such committee.]~~ or to expend
528 any funds, but shall act only in an advisory capacity, and shall report back to the Board as directed.

529

530 The designation and appointment of any such committee, and delegation to that committee of any authority,
531 shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed upon
532 it or upon him~~[/]~~ or her by law.

533

534

Term of Office of Committee Members

535

536 6.04 Each member of a committee shall serve until the next annual appointment of the Board of Directors
537 and until his or her successor is appointed, unless the committee is terminated sooner, or unless such member
538 has ceased to serve on the Board of Directors, or is removed from such committee.

539

540 ~~[6.05]~~ Any committee member may be removed from a committee by the Board whenever in its judgment the
541 best interests of the Corporation would be served by such removal.

542

543

Vacancies on Committees

544

545 Vacancies in the membership of any committee may be filled in the same manner as provided with regard to the
546 original appointments to such committee.

547

548

~~[Ex Officio Members]~~

549

550 ~~[Members of the Board of Directors, the City Manager, or his designee, and the Economic Development~~
551 ~~Director may attend any executive, private or public meeting of a committee. These representatives shall not~~
552 ~~have the power to vote in any committee meeting they attend. Their attendance shall be for the purpose of~~
553 ~~ensuring that information about such meeting is accurately communicated to the City Council and to satisfy the~~
554 ~~City Council's obligation to control the powers of the Corporation.]~~

555

556

[SECTION VII] ARTICLE SEVEN

557

558

FINANCIAL ADMINISTRATION

559

560 ~~[The Corporation shall employ the City, at the City's actual cost, to perform the Corporation's financial and~~
561 ~~accounting requirements, including an annual audited financial statement of all funds. The Corporation's~~
562 ~~financing and accounting records shall be maintained according to the following guidelines:] The Corporation's~~
563 ~~financial administration shall be conducted as follows:~~

564

565

Fiscal Year

566

567 7.01 The fiscal year of the Corporation shall begin on October 1 and end on September 30 of the following
568 year.

569

570

Budget

571

572 7.02 A budget for the forthcoming fiscal year shall be submitted to, and approved by, the Board of Directors
573 and the City Council of the City of Seabrook. Once a budget is approved, such constitutes approval for the
574 Corporation to expend Corporation funds in accordance with the budget. The budget may be amended
575 from time to time, subject to the same approval requirements, to allow for changes in economic
576 development priorities or to respond to an economic development opportunity.

577

578

Contracts

579

580 7.03 As provided in Article [V] FIVE above, the President and Secretary shall execute any contracts or other
581 instruments, which the Board has approved and authorized to be executed; provided, however, the Board may,
582 by appropriate resolution, authorize any other officer or officers or any other agent or agents, to enter into
583 contracts or execute and deliver any instrument in the name and on behalf of the Corporation. Such authority
584 may be confined to specific instances or defined in general terms. When appropriate, the Board may grant a
585 specific or general power of attorney to carry out some action on behalf of the Board; provided, however, no

586 such power of attorney may be granted unless an appropriate resolution of the Board authorizes the same to be
587 performed, subject to approval by City Council.

588

589

Checks and Drafts

590

591 7.04 **No check, draft, order for the payment of money or evidence of indebtedness shall be prepared**
592 **ad signed unless same is in accordance with the approved Corporation budget, or an approved budget**
593 **amendment.** All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness
594 issued in the name of the Corporation shall be approved by the Board and ~~by the City Council~~ **signed by two**
595 **offers of the Corporation or their designees.**

596

597

Deposits

598

599 7.05 All funds of the Corporation shall be deposited, on a regular basis, to the credit of the Corporation in a
600 local bank, which shall be federally insured and shall be selected following the procedures and requirements for
601 selecting a depository as set forth in Chapter 105 of the Texas Local Government Code.

602

603

Gifts

604

605 7.06 The Corporation may accept any contribution, gift, bequest, or devise for the general purpose or for any
606 special purpose of the Corporation.

607

608

Purchasing

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610 7.07 All purchases made and contracts executed by the Corporation shall be made in accordance with the
611 requirements of the Texas Constitution and laws of the State of Texas.

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Investments

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

Bonds

7.09 [~~Any bonds issued by the Corporation shall be in accordance with the governing statute, but in any event, bonds shall not be issued without review and comment by the City's bond counsel and financial advisor and approval by the City Council.~~] **The Corporation is authorized to issue bonds for appropriate projects provided that such are issued in accordance with all applicable state laws, and with the approval of the Seabrook City Council, after review and comment by the City's bond counsel and financial advisor.**

Uncommitted Funds

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

The undesignated Fund Balance may be designated for any legal purpose, provided both the Corporation's Board of Directors and the City Council approve such commitment. This designation may include the establishment of a Permanent Reserve Fund, which shall be accumulated for the purpose of using the interest earnings of such Fund to finance operation of the Corporation.

Monthly Reports

7.11 The City financial office[~~r shall~~] **will** provide to the Board of Directors a monthly report of all matters required, permitted, or [~~performed,~~] **done** pursuant to[~~Sections 7.03 thru 7.08 above, or as provided by the terms of any by~~] **this Article or any** contract.

643 **Annual Audit; Bonding Requirements for Third Party Audits**

644
645 7.12 The City of Seabrook, or any other contractual entity providing financial services to the Corporation,
646 shall provide to the Board of Directors an annual audited financial statement of all funds. This audit [shall] **is to**
647 be prepared by a competent independent audit firm as soon as practical following the end of each fiscal year.
648 **The Corporation shall employ the City, at the City's actual cost, to perform the Corporation's financial**
649 **and accounting requirements, including an annual audited financial statement of all funds. Provided,**
650 **however, that the Corporation may contract with a third party to perform the Corporation's financial and**
651 **accounting requirements, including the annual audited financial statement, with the approval and**
652 **consent of the City Council.**

653
654 **_____ If the Corporation independently contracts with an entity other than the City for financial**
655 **accounting and auditing services, such entity shall be required to provide an official bond in the sum of**
656 **not less than One hundred Thousand Dollars (\$100,00.00). Such bond shall be procured from some**
657 **regularly accredited surety company authorized to do business in the state. A copy of such bond shall**
658 **be filed with the Corporation and with the City Secretary.**

659
660 **_____ If the Corporation does not elect to contract for financial services, the President, Vice President,**
661 **and Treasurer of the Board shall each give an official bond in the sum on not less than One Hundred**
662 **Thousand Dollars (\$100,00.00). The bonds referred to in this section shall be considered for the faithful**
663 **accounting of all monies and things of value coming into the hands of such officers. The bonds shall be**
664 **procured from some regularly accredited surety company authorized to do business in the state. The**
665 **premiums therefore shall be paid by the Corporation. A copy of each officer's bond shall be filed with**
666 **the City Secretary.**

667
668 **[SECTION VIII] ARTICLE EIGHT**

669
670 **BOOKS AND RECORDS**

671
672 **8.01** The Corporation shall keep correct and complete books and records of all actions of the Corporation,
673 including books and records of accounts and the minutes of meetings of the Board of Directors and of any

674 committee having any authority of the Board and to the City Council. All ~~[such]~~ books and records **of the**
675 **Corporation** may be inspected by the City Council ~~[and]~~ **or** the Directors of the Corporation, ~~[or his/her agents~~
676 ~~or attorneys, at any reasonable time]~~; and any information that may be designated by law as public information
677 shall be open to public inspection at any reasonable time. The Texas ~~[Open Records]~~ **Public Information Act,**
678 **Texas Government Code Chapter 552,** ~~[and the Texas Open Meetings Act]~~ shall apply to any disclosure of
679 ~~[public information]~~ **the Corporation's records.**

680
681 **[SECTION IX] ARTICLE NINE**

682
683 **SEAL**

684
685 **9.01** The Board of Directors shall obtain a corporate seal which shall bear the words "Corporate Seal of
686 Seabrook Economic Development Corporation [H]"; thereafter, the Board may use the corporate seal and may
687 later alter said seal as necessary, without changing the corporate name; however, these Bylaws shall not be
688 construed to require the use of the corporate seal.

689
690 **[SECTION X]**

691
692 **[PROGRAM]**

693
694 **[Authorization]**

695
696 ~~[10.01 The Corporation shall carry out its programs, subject to its Article of Incorporation, these Bylaws, the~~
697 ~~Development Corporation Act, and such resolutions as the Board may authorize from time to time.]~~

698
699 ~~[10.02 The programs of the Corporation shall for the assistance, stimulation, and enhancement of economic~~
700 ~~development within the City of Seabrook, Texas, subject to all applicable State and Federal law, these Bylaws,~~
701 ~~and its Articles of Incorporation.]~~

703 [SECTION XI] ARTICLE TEN

704
705 [PARLIAMENTARY AUTHORITY]

706
707 [~~Amendments to Bylaws~~] AMENDMENTS TO BYLAWS

708
709 10.01 The[se] Bylaws may be amended or repealed, and new Bylaws may be adopted by an affirmative vote
710 of not less than five (5) of the authorized Directors serving on the Board; provided[~~however, at least ten (10)~~
711 ~~days prior to the meeting at which such action is taken, written notice setting forth the proposed action shall have~~
712 ~~been given to all Directors and to the public in accordance with]~~ that public notice regarding such action be
713 given according to the requirements of the Texas Open Meetings Act and Public Information Act.

714
715 10.02 Notwithstanding the foregoing, no amendment or new Bylaw shall become effective [~~until approved by]~~
716 unless the City Council approves the amendment or new Bylaw.

717
718 [SECTION XII] ARTICLE ELEVEN

719
720 DISSOLUTION

721
722 [On Petition of Voters]

723
724 [~~12.01 Upon a petition signed by ten percent (10%) or more of the registered voters of the City of Seabrook~~
725 ~~requesting an election to dissolve the Corporation, the City Council shall order an election to be held on such~~
726 ~~issue, which election must be conducted according to the applicable provisions of the Texas Election Code.~~
727 ~~The ballot for said election shall be printed to provide for voting for or against the proposition as follows:]~~

728
729 ["~~Dissolution of the Seabrook Economic Development Corporation II~~"]

730
731 [~~If a majority of voters approve such dissolution, the Corporation shall continue operations only as long as is~~
732 ~~necessary to pay the principal and interest on its bonds, and to meet obligations incurred before the date of the~~
733 ~~election and, to the extent practicable, shall dispose of all of its assets and apply the proceeds thereof to satisfy~~

734 ~~those obligations. When the last of these obligations is satisfied, any remaining assets of the Corporation shall~~
735 ~~be transferred to the City, and the Corporation shall then be considered dissolved.]~~

736

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739

~~[Voluntary Dissolution]~~

740

741 ~~[12.02 The Corporation may cease its corporate activities and terminate its existence by voluntary dissolution~~
742 ~~as provided in the Act.]~~

743

744 **11.01 Dissolution of the Corporation may be effected as provided for in the Development Corporation**
745 **Act of 1979.**

746

747

~~[SECTION XIII] ARTICLE TWELVE~~

748

749

INDEMNITY

750

751 **12.01** The Corporation hereby agrees to indemnify and hold harmless each current or former Director or
752 Officer of the Corporation from and against any costs, expenses (including attorney's fees), fines, settlements,
753 judgments, liabilities, and other amounts, actually and reasonably incurred by such person in any action, suit, or
754 proceeding to which he or she is made a party by reason of holding such position; provided, however, such
755 Officer or Director shall not receive such indemnification if he/she is finally adjudicated to be liable for negligence
756 or misconduct with respect to the matter for which indemnity is sought. The indemnification herein provided
757 shall also extend to good faith expenditures incurred in anticipation or, or preparation for, threatened or
758 proposed litigation. The Board of Directors may, in proper case, extend this indemnification to cover the good
759 faith settlement of any such action, suit, or proceedings, whether formally instituted or not.

760

761 **The Corporation is authorized to secure independent insurance or to participate in and be**
762 **included in the coverage provided by the City of Seabrook through the Texas Municipal League**
763 **Insurance Risk Pool, or other insurance program.**

764

765 **12.02** Furthermore, to the extent allowed by law, the Corporation agrees to indemnify and hold harmless and
766 defend the City of Seabrook, its officers, agents, and its employees, from and against liability for any and all
767 claims, liens, suits, demands, and/or actions for damages, injuries to persons (including death), property
768 damage (including loss of use), and expenses, including court costs and attorneys' fees and other reasonable
769 costs arising out of or resulting from the Corporation's activities, and from any liability arising out of or resulting
770 from the intentional acts or negligence, including all such causes of action based upon common, constitutional,
771 or statutory law, or based in whole or in part upon the negligent or intentional acts or omissions of the
772 Corporation, including but not limited to its officers, agents, employees, licensees, invitees, and other persons.

773
774 **12.03** It is further agreed that, with respect to the above indemnity, the City of Seabrook and the Corporation
775 will provide each other with prompt and timely notice of any event covered that in any way, directly or
776 indirectly, contingently or otherwise, affects or might affect the Corporation or the City of Seabrook, and the City
777 shall have the right to compromise and defend the same to the extent of its own interests. It is further agreed
778 that this indemnity clause shall be an additional remedy to the City of Seabrook and not an exclusive remedy.

779
780
781 **[SECTION XIV] ARTICLE THIRTEEN**

782
783 **MISCELLANEOUS**

784
785 **Relation to Articles of Incorporation**

786
787 **13.01** These Bylaws are subject to, and governed by, the Corporation's Articles of Incorporation, **and**
788 applicable State statutes under which the Corporation is organized. [~~and the Charter and ordinances of the City~~
789 ~~of Seabrook.~~]

CERTIFICATE

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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 26th day of August, 2006.

Ernie Davis

Ernie Davis, President

ATTEST:

Marc C. Coody
Marc C. Coody, Secretary

These Bylaws were approved by Resolution No. 2006-^{EDC}~~24~~ adopted by the City Council of the City of Seabrook on the 5th day of September, 2006.

Robin C. Riley
Robin C. Riley, Mayor



ATTEST:

Michele L. Glaser

Michele L. Glaser, TRMC
City Secretary