

# **NEDERLAND ECONOMIC DEVELOPMENT CORPORATION**

## **CORPORATE BYLAWS**

### **(AS AMENDED AND RESTATED)**

These Third **Amended and Restated Bylaws** (referred to as the "Bylaws") govern the affairs of the Nederland Economic Development Corporation, a public instrumentality and a non-profit corporation (hereinafter referred to as the "Corporation") created under Section 4B of the Development Corporation Act of 1979, Article 5190.6 of the Revised Civil Statutes of Texas (hereinafter referred to as the "Act").

#### **Article I. Purpose**

1.01. The Corporation is organized exclusively for the purpose of benefiting and accomplishing public purposes of the City of Nederland, Texas, by promoting, assisting and enhancing economic development activities for the City as provided by the Development Corporation Act of 1979, Texas Revised Civil Statutes Annotated Article 5190.6, as amended. The Corporation has no members and is a non-stock corporation.

#### **Article II. Registered Office and Agent**

2.01. The registered office of the Corporation shall be maintained in the City of Nederland, Jefferson County, Texas, where the Corporation shall maintain a registered office and the registered agent as provided in the Act. The Board of Directors shall be authorized to establish additional offices as well, and to change the location of any office of the Corporation.

#### **Article III. Board of Directors**

##### **Management of the Corporation and General Powers**

3.01. The affairs of the Corporation shall be managed by a Board of Directors appointed by the Mayor and City Council of Nederland. All voting rights shall be vested solely in the Board, whose members shall serve without compensation. In addition to the powers and authorities expressly conferred upon them by these Bylaws, the Board of Directors may exercise all such powers of the Corporation and do all lawful acts and things as are not prohibited by statute or by the Charter or by these Bylaws. Without prejudice to such general powers and other powers conferred by statute, by the Charter and by these Bylaws, it is expressly declared that the Board of Directors shall have the following powers, to-wit:

- (i) To purchase, or otherwise acquire for the Corporation, any property (whether by fee title, lease or otherwise), rights, or privileges which the Corporation is authorized to acquire, at such price or consideration and general on such terms and conditions as they think fit; and at their discretion to pay therefore either wholly or partly in money, stock, bonds, debentures, or other securities of the Corporation as may be lawful.
- (ii) To create, make and issue notes, mortgages, bonds, deeds of trust, trust agreements and negotiable or transferrable instruments and securities, secured by mortgage or deed of trust on any real property of the Corporation or otherwise, and to do every other act or thing necessary to effect the same.
- (iii) To sell, lease and/or sub-lease the real or personal property of the Corporation on such terms as the Board may see fit and to execute all deeds, leases and other conveyances or contracts that may be necessary for carrying out the purposes of this Corporation.
- (iv) To make loans on behalf of the Corporation to businesses and other qualified entities within the City, and to enter into agreements, where applicable and within the discretion of the Board, granting the Corporation collateral interests as may be reasonably insure repayment of such loans.
- (v) To approve and enter into economic incentive agreements beneficial to the City and its citizens; and
- (vi) To do all things and take all action authorized by Article 5190.6, as amended.

### **Number and Criteria of Directors**

3.02. The Board shall be composed of seven (7) Directors who shall serve at the pleasure of the City Council. Directors will be selected based on the following: (i) interest in the work of the Corporation, special expertise and civic service; (ii) **at least three (3)** of the Directors **shall not be employees, officers or members** of the governing body of the City of Nederland; and (iii) all Directors shall either be (i) residents of the City of Nederland, (ii) maintain a Nederland, Texas mailing address recognized by the US Postal Service or (iii) reside within the extra-territorial jurisdiction of the City of Nederland.

### **Terms of Office**

3.03. The term of office shall be two (2) years or until successors are appointed. No member of the Board can serve more than three (3) consecutive terms. Notwithstanding



the foregoing term limits, in the event that the NEDC is in active pursuit of a "Major Project" (as that term is defined hereinafter), a member of the Board whose term is expiring may request that his term be extended by not more than TWELVE (12) additional months if, in the opinion of the remaining members of the Board, the continued involvement of the expiring term member of the Board will be beneficial to the efforts of the NEDC to conclude any such Major Project. Such determination by the Board shall be reflected on the Board's minutes. In that event, the expiring term Board member's term shall be extended for a period not more than TWELVE (12) months. If, during such extended term, the Major Project is either closed and is determined to be no longer viable, the Board member whose term was extended may seek early termination of the extended term, however, such Board member agrees to remain in place as a member of the Board until such time as his/her replacement has been duly appointed.

For purposes of this provision, the term "Major Project" shall be defined as either (i) a project where the aggregate capital investment expected is in excess of FIVE MILLION DOLLARS, (ii) a project where the primary jobs to be created by the project are in excess of FIFTY new primary jobs any time during the monitoring term of the subject project and/or (iii) a project where the Board, in its reasonable discretion, determines that such project, upon completion, will have a significant and material positive impact on the quality of life within the City of Nederland.

### **Vacancies**

3.04. Any vacancy occurring in the Board of Directors will be filled by appointment of the City Council of Nederland. The vacancy will be filled for the unexpired term of the Director.

### **Board Attendance**

3.05. Unless special consideration is granted by the Board to accommodate directors who are temporarily inactive for good cause, any director who is absent from three (3) consecutive regular or special meetings of the Board may be asked to resign. The Board's decision not to ask for the Director's resignation shall not negate the City Council's authority to do so.

### **Duties of Directors**

3.06. Directors shall exercise ordinary business judgment in managing the affairs of the Corporation. Directors shall act as fiduciaries with respect to the interests of the citizens of Nederland. In acting in their official capacity as directors of the Corporation, directors shall act in good faith and take actions they reasonably believe to be in the best interests of the Corporation and that are not unlawful. In all other instances, the Board of

Directors shall not take any action that they should reasonably believe would be opposed to the Corporation's best interests or would be unlawful. A director shall not be liable if, in the exercise of ordinary care, the director acts in good faith relying on written financial and legal statements provided by an accountant or attorney retained by the Corporation.

## **Article IV. Officers**

### **Officer Positions**

4.01. The officers of the Corporation shall be a President, a Vice-President, a Secretary, and a Treasurer, all of whom shall be members of the Board. Any two or more offices may be held by the same person except the offices of President and Secretary. The officers shall have all powers specified in the Bylaws, as amended from time to time, and all powers authorized under the Act and the Texas Non-Profit Corporation Act of the State of Texas, or its successor.

### **Election and Terms of Office**

4.02. The officers of the Corporation shall be elected annually by the Board of Directors at the last meeting of the fiscal year and assume their duties at the first regular meeting of the new fiscal year. If the election is not held at the last meeting of the year, it shall be held as soon thereafter as conveniently possible. Notwithstanding anything to the contrary contained herein, each officer shall hold office until a successor is duly elected and qualified. An officer may be elected to succeed himself or herself in the same office one (1) time. Vacancies in officer positions may be filled by the Board of Directors for their unexpired position of the officer's term.

### **President**

4.03. The President shall be the chief executive officer of the Corporation. He or she, or his or her designee (which may include the Executive Director, if so employed by the Corporation) shall generally supervise and control all of the business and affairs of the corporation and shall preside at all meetings of the Board of Directors. The President shall perform all duties incident to the office and other duties prescribed from time to time by the Board of Directors. He or she, or his/her designee, may execute deeds, mortgages, bonds, contracts or other instruments that the Board of Directors has authorized to be executed. However, he or she may not execute instruments on behalf of the Corporation if this power is expressly delegated to another officer or agent of the Corporation by the Board of Directors, the Bylaws, or statute. The President may appoint the members of all standing and other committees, unless composition is otherwise provided in the Bylaws, and may appoint all committee chairs.



### **Vice-President**

4.04. A Vice-President shall be elected or appointed by the Board of Directors. The Vice-President shall perform such duties as assigned to him/her by the Board of Directors; provided, however, that the Vice-President, or his designee (which may include the Executive Director if so employed by the Corporation) shall be responsible for matters involving marketing and financial incentives. In the absence of the President, or if the President is unable or refuses to act, the Vice-President shall perform the duties of President and have all the powers and be subject to all the restrictions of that office.

### **Secretary**

4.05. The Secretary shall be the custodian of the Corporate records. The Secretary, or his/her designee, shall record and keep or cause to be recorded and kept all votes and minutes of the meetings of the Board. The Secretary, or his/her designee (which may include the Executive Director, if any, employed by the Corporation) shall further give, or cause to be given, notice of all meetings of the Board of Directors and its committees, and shall perform such other duties as may be prescribed by the Board of Directors or President. The Secretary may designate either or both (i) the Executive Director (if so employed) or (ii) one or more Assistant Secretaries who may be employees of the Corporation, to assist in the administration of the Corporate records.

### **Treasurer**

4.06. The Treasurer, or his designee, shall perform such duties as are usually incumbent upon such office. He/she, or his/her designee, shall see that proper and accurate accounts are kept of the financial condition of the Corporation and that proper books are maintained for their orderly entry. He or she shall insure, either directly or through retention of authorized third parties, that the financial policies adopted by the Board are duly followed and that an independent audit is made of the accounts of the Corporation at the end of each fiscal year. He or she shall cause a report the financial condition of the Corporation to be provided, whether directly or through the Treasurer's authorized designee, at each regular meeting of the Board and City Council from time to time for approval, and shall perform any other duties the President assigns from time to time. Disbursements of the funds of the Corporation shall be by check, and all checks shall be signed in a manner consistent with the guidelines recommended by the Treasurer and approved by the Board of Directors. The Treasurer, or his/her designee, shall verify that all persons authorized to disburse or manage the funds of the Corporation shall be bonded in such sum as the Board of Directors may require.

## **Other Officers**

4.07. The Board of Directors shall name such other officers and assistant officers, as may be deemed necessary, including an Executive Director.

4.08. The Executive Director, if named, shall be the general manager and chief administrative officer of the Corporation, and subject to the supervision of the Board and/or the executive officers of the Corporation, shall perform such duties as may be incident to his or her office or specifically delegated to him or her by the board. The Executive Director shall serve at the pleasure of the Board and receive such compensation as the Board may determine from time to time. The Executive Director, as general manager and chief administrative officer, shall be responsible for policy and program implementation and for all operations of the agency, including hiring, supervising and dismissing employees as well as defining and assigning their work. The Executive Director shall be a non-voting, ex-officio member of the Board of Directors and any other committees created by the Board of Directors. The Executive Director shall compile and submit to the Board regular reports and recommendations regarding the programs, policies and business affairs of the Corporation. The Executive Director shall further have supervisory responsibility for all other employees, if any, of the Corporation.

## **Article V. Board Committees**

### **Committees Authorized**

5.01. The Board of Directors may establish and delegate specified authority to additional standing and ad hoc committees from time to time. A committee may include persons who are not directors of the Corporation. The Board of Directors may establish qualifications for membership on a committee.

In addition, the Board of Directors may authorize subcommittees from time to time and charge them with clear and specific duties. Subcommittees will operate under the general rules governing the Board committees and the general oversight of the Executive Director and Vice-President or Board Committee Chair.

The establishment of a committee shall not relieve the Board of Directors, or any individual director of any responsibility imposed by the Bylaws or otherwise imposed by law. No committee shall have the authority of the Board of Directors to:

- (a) Amend the articles of incorporation.
- (b) Adopt a plan of merger or a plan of consolidation with another corporation.



- (c) Authorize the sale, lease, exchange or mortgage of any of the property and assets of the Corporation.
- (d) Authorize the voluntary dissolution of the Corporation.
- (e) Revoke proceedings for the voluntary dissolution of the Corporation.
- (f) Adopt a plan for the distribution of the assets of the Corporation.
- (g) Amend, alter, or repeal the Bylaws.
- (h) Elect, appoint or remove a member of a committee or director or officer of the Corporation.
- (i) Approve any transaction to which the Corporation is a party or undertake any action that involves a potential conflicts of interest as defined in paragraph 7.07 below.
- (j) Take any action outside the scope of authority delegated to it by the Board of Directors.
- (k) Take final action on a matter that requires the approval of the Board of Directors.
- (l) Commit Corporation funds without the prior approval of the Board of Directors.
- (m) Undertake any other matters appropriate to the authority of the Board of Directors.

### **Committee Terms**

5.02. The members of each standing committee shall serve until the next annual meeting of the Board and/or until successors are appointed by an incoming President, unless the committee is terminated or a member is removed, resigns or ceases to qualify as a member. Vacancies on committees may be filled in the same manner as the original appointment.

### **Rules**

5.03. Each committee or subcommittee may adopt rules for its own operation not inconsistent with the Bylaws or with rules adopted by the Board of Directors.

## **Article VI. Meetings**

### **Regular Meetings**

6.01. The Board of Directors shall attempt to hold meetings monthly, however, at a minimum, the Board shall provide for at least four (4) regular meetings set annually by resolution, or otherwise in compliance with state law, stating the time and place of such meetings. All regular meetings will be held in the corporate city limits of the City of Nederland, provided that such meetings shall be held in a facility sufficient in size to accommodate the public attending, with notice of such meetings to be posted and provided in compliance with applicable law and pursuant to Section 6.04 herein.

### **Annual Meeting**

6.02. The last meeting of the Corporation's fiscal year shall be designated as the Annual Meeting. It shall be held at a time and place designated by the Board.

### **Special Meetings**

6.03. Special meetings of the Board of Directors may be called by the President or upon written request of at least three (3) directors. Any notice of a special meeting shall contain a summary of the business or proposals to be brought before the special meeting. Should a director's request for a special meeting be submitted to the President and filed in the Executive Director's office by three (3) directors, the President shall determine and notify all directors in writing of the date, time, and place of the special meeting within three (3) days of the receipt of the directors' request, and the meeting shall be held within ten (10) days of the receipt of the directors' request.

### **Notice**

6.04. Written or printed notice of each regular meeting of the Board of Directors shall be delivered to each director by mail, fax, electronic communication or other means not less than three (3) days before the date of the meeting. If mailed, a notice shall be deemed to be delivered when deposited in the U. S. mail addressed to the person at his or her address as it appears in the records of the Corporation, with postage paid. The notice shall state the place, day and time of the meeting. In the case of special meetings, notice may be issued to directors by mail, telephone, fax, electronic communication or in person at least three (3) days before the date of the meeting, and in addition to place, date and time, shall include who called the meeting and the purpose for which the special meeting is called. In the event state law requires more restrictive notice provisions, this provision shall be deemed to be amended to comply with applicable state law. Attendance of a



Director at a meeting shall constitute a waiver of notice of that meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

### **Quorum**

6.05. Four (4) directors, currently serving on the Board and attending either (i) in person, or (ii) if properly noticed, attending via authorized video conference or other electronic or cellular means, shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

### **Action of Board of Directors**

6.06. No action of the Corporation shall be valid or binding unless adopted by the affirmative vote of four (4) or more of the Directors.

### **Proxies/Alternative Attendance**

6.07. If a meeting notice specifically and in compliance with applicable law authorizes attendance at a meeting by an acceptable form or video or cellular conference, one or more directors may attend meeting by video/cellular conference or other video electronic means (i.e., skype, etc.) and may vote as if physically in attendance. Unless specifically authorized by state law or opinions of the Attorney General of the State of Texas, Directors may not vote by proxy.

### **Open Meetings**

6.08. All meetings and deliberations of the Board shall be called, convened, held and conducted in accordance with the Texas Open Meetings Act, Chapter 551, Government Code, Vernon's Texas Codes annotated.

## **Article VII. Corporate Duties, Transactions, and Responsibilities**

### **Annual Work Plan and Performance Evaluations**

7.01. The Board of Directors, either directly or through the Executive Director, shall at the request of the City, research, develop, prepare, and may submit to the City Council for its approval, an annual work plan which shall set out goals and objectives of the Corporation including, but not limited to, short-term and long-term goals for the economic development of the City, proposed methods for the elimination of

unemployment and underemployment, goals and objectives for the utilization of funds to promote the expansion and development of a sound industrial and manufacturing base for and within the City, and any other similar goals and objectives deemed appropriate by the Board and the City Council. The Board shall review and update such plans as necessary and as may otherwise be required by state law and/or these Bylaws. In addition, the Board shall accompany subsequent work plan amendments with a performance evaluation detailing the Board's achievements of its prior goals and objectives during the course of the previous fiscal year. Additionally, the Board shall evaluate, where applicable, the performance of the Executive Director and shall require the Executive Director to submit performance evaluations of all employees reporting to said Executive Director.

### **Annual Corporate Budget**

7.02. At least thirty (30) days prior to the commencement of each fiscal year of the Corporation, the Board shall submit for consideration a proposed budget, with same to be adopted on or before the Annual Meeting. Said proposed budget shall detail all expected revenues and proposed expenditures for the next ensuing fiscal year. The budget shall contain such classifications and shall be in such form as may be prescribed from time to time by the City Council. The budget shall not be effective until the same has been approved by the City Council.

### **Promotional Limitations/Development Programs**

7.03. The Corporation shall spend no more than ten percent (10%) of the Corporate annual revenues for promotional purposes. The Corporation may contract with other existing private corporations to carry out industrial development programs consistent with the purposes and duties as set out in these Bylaws and as set out in the Act.

### **Deposit and Investment of Corporate Funds**

7.04. All proceeds from the issuance of bonds, notes, or other debt instruments issued by the Corporation shall be deposited and invested as provided in the Corporation's investment policies or in compliance with such resolution, order, indenture, or other documents authorizing or relating to their issuance and in compliance with the investment related resolutions adopted by the Corporation. All other monies of the Corporation shall be deposited, secured, and/or invested in the manner provided for the deposit, security, and/or investment detailed in the Corporation's investment policy or in the manner provided for the deposit of the public funds of the City of Nederland. The Board shall designate the accounts and depositories to be created and designated for such purposes, and the methods of withdrawal of funds there from for use by and for the purposes of the Corporation upon the signature of its treasurer and/or such other members as the Board



shall designate. The Board shall also provide for the reconciliation and investment of such funds and accounts. If agreed to by separate contract between the City and the Corporation, the accounts, reconciliation, and investment of such funds and accounts may be performed by the finance department of the City of Nederland or by such other authorized professionals retained by the Corporation. If services are provided by the City, the Corporation may pay reasonable compensation for such services to the City.

### **Contracts**

7.05. The Board of Directors may by official action as specified herein, authorize any officer or agent of the Corporation to enter into a contract or execute and deliver any instrument in the name of, and on behalf of, the Corporation. This authority may be limited to a specific contract or instrument or it may extend to any number and type of possible contracts and instruments.

### **Gifts**

7.06. The Board of Directors may accept on behalf of the Corporation any gift or bequest provided for the general purposes of or for any special purpose of the Corporation. Special funds shall include all funds from government contracts and gifts designated by a donor for special purposes. All other funds shall be general funds.

### **Potential Conflicts of Interest**

7.07. The Corporation shall not make a loan to a director or officer of the Corporation. A director, officer or committee member of the Corporation may lend money to and otherwise transact business with the Corporation except as otherwise provided by the Bylaws, Articles of Incorporation and all applicable laws. Such a person transacting business with the Corporation has the same rights and obligations relating to those matters as other persons transacting business with the Corporation. The Corporation shall not borrow money from or otherwise transact business with a director, officer or committee member of the Corporation unless the transaction is described fully in a legally binding instrument and is in the best interests of the Corporation. The Corporation shall not borrow money from or otherwise transact business with a director, officer or committee member of the Corporation without full disclosure of all relevant facts and without the approval of the Board of Directors, not including the vote of any person having personal interest in the transaction. Board members must recuse themselves, and where necessary remove themselves from applicable proceedings or pending actions, in the event of an acknowledged and/or potential conflict of interest, or as may be necessary to avoid the perception of a conflict of interest.

## Prohibited Acts

7.08. As long as the Corporation is in existence, no director, officer or committee member of the Corporation shall:

- (a) Do any act in violation of the Bylaws or a binding obligation of the Corporation.
- (b) Do any act with the intention of harming the corporation or any of its operations.
- (c) Do any act that would make it impossible or unnecessarily difficult to carry on the intended or ordinary business of the Corporation.
- (d) Receive an improper personal or business benefit from the operation of the Corporation.
- (e) Use the assets of the Corporation, directly or indirectly, for any purpose other than carrying on the business of the Corporation.
- (f) Wrongfully transfer or dispose of Corporation property, including intangible property such as good will.
- (g) Use the name of the Corporation (or any substantially similar name) or any trademark or trade name adopted by the Corporation, except on behalf of the Corporation in the ordinary course of the Corporation's business.
- (h) Disclose any of the Corporation business practices, trade secrets or any other information not generally known to the business community to any person not authorized to receive it.
- (i) Commit Corporation funds without the prior approval of the Board of Directors.
- (j) Participate in any discussion, analysis or vote related to any transaction or opportunity and/or potential transaction or opportunity in the event of a conflict of interest, whether the conflict is acknowledged or simply a potential, all as necessary to avoid the appearance of conflict and/or impropriety.

Provided further, however, that the Corporation shall not have the power to own or operate any project as a business other than as lessor, seller, or lender or pursuant to the requirements of any trust agreement securing the credit transaction. In addition, the user pursuant to any lease, sale, or loan agreement relating to a project shall be considered to be the owner of the project for the purposes of the application of any ad valorem, sales, and use taxes or any other taxes levied or imposed by the State of Texas or any political



subdivision of the State of Texas. The purchase and holding of mortgages, deeds of trust, or other security interests and contracting for any servicing thereof shall not be deemed the operation of a project.

## **Article VIII. Books, Records, Audits**

### **Maintenance of Records**

8.01. The Corporation shall keep and properly maintain, in accordance with generally accepted accounting principles, complete books, records, accounts, and financial statements pertaining to its corporate funds, activities, and affairs. In addition to proper financial records, the Corporation shall keep correct and complete minutes of all board and committee meetings and all records required by its bylaws, the laws of the State of Texas and/or as required by the City of Nederland, by contracting agents, or by funding sources.

### **Compliance with State Law**

8.02. All records shall be kept and administered in accordance with the Texas Open Records Act, Article 6252-17a, Chapter 552, Government Code, and Subtitle C to Title 6 of the Texas Local Government Code.

### **Inspection**

8.03. Any member of the City Council of Nederland, director or officer of the Corporation may inspect and receive copies of all books and records of the Corporation required to be kept by the Bylaws. Any person entitled to inspect and copy the Corporation's books and records may do so through his or her attorney or other fully authorized representative, with such inspection to be completed at the offices of the Corporation. The Board of Directors may establish reasonable fees for copying the Corporation's books and records by members. Consistent with the obligations and limitations of the Texas Open Records Act, the Corporation shall provide requested copies of books or records no later than ten (10) working days after the Corporation's receipt of proper written notice unless an extension is granted or otherwise authorized by the laws of this state.

### **Audits**

8.04. The Corporation, whether individually or through the City, shall cause its books, records, accounts, and financial statements, and all other activities for the previous fiscal year to be audited at least once each fiscal year by an outside independent certified public accounting firm selected by the Corporation and approved by the City Council. Any such

audit shall be performed in accordance with generally accepted auditing procedures (GAAP) and shall include a written management letter which details suggested management controls and operating efficiencies. The management letter shall include, but not be limited to, recommendations for improving cost reductions, recommendations for increasing revenues, and recommendations for increasing productivity and safeguarding assets. Each audit shall be prepared and submitted annually to the City Council of the City of Nederland, Texas, for approval within one hundred twenty (120) days after the end of the Corporation's fiscal year. Any such audit shall be performed at the expense of the Corporation.

#### **Article IX. Fiscal Year**

9.01. The fiscal year of the Corporation shall run concurrently with the City of Nederland beginning on the first day of October and ending on the last day in September in each year.

#### **Article X. Amendments to Bylaws**

##### **Amendment Notice and Approval**

10.01. The Board of Directors, by the affirmative vote of a majority of the Board, may alter, amend, or repeal the Bylaws or adopt new Bylaws at any regular meeting, or any special meeting providing that notice be given not less than three (3) days prior to such meeting and that such notice contain a copy of the proposed amendment or amendments. Said amendments shall be effective only upon approval by the City Council of the City of Nederland, Texas.

##### **Legal Construction**

10.02. If any Bylaw provision is held to be invalid, illegal or unenforceable in any respect, the invalidity, illegality or unenforceability shall not effect any other provision and the Bylaws shall be construed as if the invalid, illegal or unenforceable provision had not been included in the Bylaws.

#### **Article XI. Indemnification and Insurance**

##### **Indemnify**

11.01. The corporation shall indemnify any director or officer or former director or officer of the Corporation for expenses and costs (including attorneys fees) actually and necessarily incurred by said officer or director in connection with any claim asserted against said officer or director by action in court or otherwise by reason of such person



being or having been a director or officer, except in relation to matters (i) as to which said person shall have been guilty of gross negligence or gross misconduct in respect of the matter in which indemnity is sought and/or (ii) where the person and the conduct complained of was the result of a knowing violation of conflict obligations detailed herein or otherwise proscribed by the laws of this State.

### **Corporation May Provide Insurance**

11.02. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the Corporation to insure such person against any liability asserted against said person by reason of such person being or having been a director, officer, employee, or agent of the Corporation. The premiums for such insurance shall be paid for by the Corporation.

### **Article XII. Parliamentary Authority**

12.01. Robert's Rules of Order, Newly Revised, (herein "Robert's Rules") shall be the parliamentary authority for all matters of procedure not specifically covered by the Bylaws or any specific rules of procedure adopted by the Board of this Corporation. In the event of a conflict between Robert's Rules and any specific rules adopted by the Corporation, the specific rules of this Corporation shall control.

### **Article XIII. Dissolution of the Corporation**

13.01. The Corporation is a non-profit corporation. Upon dissolution, all of the Corporation's assets shall be distributed to the City of Nederland.

### **Article XIV. Effective Date**

14.01. These Third Amended and Restated Bylaws shall become effective upon the occurrence of the following events: (i) the adoption of these Bylaws by the Board; and (ii) the approval of these Bylaws by the City Council.

These amended Bylaws were ADOPTED by the Board of Directors on the 22 day  
of March, 2023.

Sylvia Root  
Barbara L. Underwood  
K. L. D.  
Don Albanese

M. P. V. S.  
[Signature]  
Attest D. Meun

**APPROVED** by the City Council of the City of Nederland, Texas on the 22 day  
of May, 2023.

Don Albanese  
Don Albanese, Mayor

ATTEST:

Joni Underwood  
Joni Underwood, City Secretary