

**RESOLUTION NO. 014-21**

**A RESOLUTION OF THE CITY OF DE LEON, TEXAS  
APPROVING BYLAWS OF THE DE LEON INDUSTRIAL  
DEVELOPMENT CORPORATION**

**WHEREAS**, the De Leon City Council has the authority to adopt and approve the bylaws of the De Leon Industrial Development Corporation (the "DIDC"); and

**WHEREAS**, the Board of Directors of the DIDC has approved newly drafted bylaws for the DIDC, amending the existing bylaws approved on or about March 29, 2018; and

**WHEREAS**, the City Council has reviewed and approved the newly drafted bylaws of the DIDC; and

**WHEREAS**, the City Council hereby finds and determines that the adoption of this resolution is in the best interests of the citizens of the City.

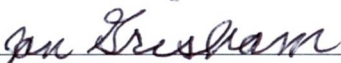
**NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF DE LEON CITY COUNCIL:**

**Section 1.** That the findings and premises contained in the preamble above are hereby deemed to be true and correct.

**Section 2.** That the City Council hereby approves the amended Bylaws of the DIDC in the form attached hereto which is a true and correct copy of the bylaws of the DIDC.

**Section 3.** That this Resolution is enacted without the benefit of two readings because it was enacted by an affirmative vote of all members of the City Council in accordance with Article VII, Section 10 of the City Charter.

PASSED AND ADOPTED, on the 12 day of July, 2021.

  
\_\_\_\_\_  
JAN GRISHAM, Mayor

**ATTEST:**

  
\_\_\_\_\_  
MELEND K. HARBOUR, City Secretary

**BYLAWS**  
**OF**  
**DE LEON INDUSTRIAL DEVELOPMENT CORPORATION**

Effective 7/12, 2021

These Bylaws govern the affairs of the DE LEON INDUSTRIAL DEVELOPMENT CORPORATION (the "Corporation"), a non-profit industrial development corporation organized under **Tex. Rev. Civ. Stat. Ann. art. 5190.6**, as amended, and subsequently recodified in Chapters 501, 502 and 504 of the Texas Local Government Code (the "Act").

**SECTION I**  
**OFFICES**

**1.01 Registered Office and Registered Agent**

The Corporation shall have and continuously maintain in the State of Texas and the City of De Leon a registered office, and a registered agent whose office is identical with such registered office, as required by the Act. The Board of Directors may, from time to time, change the registered agent and/or the address of the registered office by filing the appropriate form in the office of the Texas Secretary of State in accordance with Section 501.352 of the Act.

**1.02 Principal Office**

The principal office of the Corporation in the State of Texas shall be located in the City of De Leon, County of Comanche, and it may be, but need not be, identical with the registered office of the Corporation. The principal office of the Corporation shall be at De Leon City Hall, 125 S. Texas, De Leon, Texas. The Corporation may have such other offices as the Board of Directors shall determine.

**SECTION II**  
**PURPOSES**

**2.01 Purposes**

The Corporation is formed exclusively to promote, assist, and enhance economic development in accordance with its Articles of Incorporation and the Act.

**2.02 Governing Law**

The Corporation shall be operated as an economic development corporation organized under the Act and shall be governed by the Act and the Texas Business Organizations Code (the "Code"). In the event of any conflict between any provisions between any provisions of these Bylaws and the Act and/or the Code, then the provisions of the Act and/or the Code shall control.

**2.03 Corporation Non-Profit; Net Earnings**

In accordance with Section 501.053 of the Act, the Corporation shall be a non-profit corporation, and no part of its earnings remaining after payment of its expenses shall inure to the benefit of any individual, firm, or corporation, except that in the event the Board of Directors shall determine that sufficient provision has been made for the full payment of the expenses, bonds, and other obligations of the Corporation, then any net earnings of the Corporation thereafter accruing shall be paid to the City of De Leon

### **SECTION III MEMBERS**

#### **3.01 Members**

The Corporation shall have no members.

### **SECTION IV BOARD OF DIRECTORS**

#### **4.01 Board of Directors**

The business and affairs of the Corporation and all corporate powers shall be exercised by or under authority of the Board of Directors (the "Board" or the "Board of Directors"), appointed by the City Council of the City of De Leon, and subject to applicable limitations imposed by the Act, the Code, the Articles of Incorporation, or these Bylaws. The Board may, by contract, resolution, or otherwise, give general or limited or special power and authority to the officers and employees of the Corporation to transact the general business or any special business of the Corporation, and may give powers of attorney to agents of the Corporation to transact any special business requiring such authorization.

#### **4.02 Number and Qualifications**

The number of Directors of the Corporation shall be seven (7). The City Council shall appoint the Directors of the Corporation. Each of the Directors shall meet at least one (1) of the following qualifications:

- (a) shall possess experience in management or in an executive capacity of a company; or
- (b) shall have experience in the evaluation of financial and business records and projections;  
or
- (c) serve, or have served, in a professional capacity; or
- (d) serve, or have served, in a leadership position in the Chamber of Commerce, De Leon Industrial Development Corporation, or other similar civic or community service organization; or
- (e) have experience equivalent to any of the above qualifications.

In addition, each Director must be: (i) a resident of the City of De Leon; or (ii) a resident of Comanche County; or (iii) reside within 10 miles of the City of De Leon's boundaries and in a county bordering

Comanche County. At least three (3) Directors must be persons who are not employees, officers, or members of the City Council of the City of De Leon. The City Council shall consider an individual's experience, accomplishments, and educational background in appointing members to the Board to ensure that the interests and concerns of all segments of the community are considered.

#### **4.03 General Duties of the Board**

In order to accomplish its public purpose the Board is hereby required to perform the following duties:

1. The Board shall develop an overall economic development plan for the City which shall include and set forth intermittent and/or short term goals which the Board deems necessary to accomplish compliance with its overall economic development plan. Such plan shall be approved by the City Council of the City of De Leon. The overall development plan developed by the Board shall be one that includes 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 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 De Leon. This plan shall include methods to improve communication and cooperation between the above-mentioned entities.
  - d. Assurance of accountability of all tax moneys expended for its implementation of the overall economic development plan.
  - e. Identification of strategies and provide for implementation of identified strategies for economic development.
  - f. An annual work plan outlining the 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 annual budget as outlined in Article 7.03 of these Bylaws.
2. The Board shall review and update its overall economic development plan annually to ensure that said plan is up to date with the current economic climate and is capable of meeting De Leon's current economic development needs.
3. The Board shall expend the tax funds received by it for any lawful purpose authorized by the Act.
4. The Corporation shall make reports to the City Council of the City of De Leon. 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. Such report shall include, but not be limited to, the following:

1. A review of all revenues received and expenditures made by the Board in connection with their activities involving economic development, together with a report of all other revenues received and expenditures made by the Board.
  2. A review of the accomplishments of the Board in the area of economic development.
  3. The policies and strategy followed by the Board in relation to 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 report, together with any proposed change in said activity as said activity or activities relate to economic development.
  5. The annual required report shall be made to the City Council no later than October 15 of each year.
  6. The annual report shall be considered by the City Council for its review and acceptance.
5. In the event that the Corporation is authorized by ordinance, pursuant to Section 504.171 of the Local Government Code to undertake any project that a Type B economic development corporation may undertake under Chapter 505 of the Texas Local Government Code (a "Type B Project"), the Corporation shall, with regard to a Type B Project:
- a. The Corporation will hold at least one public hearing on a Type B Project before approving expenditures for the project. A public hearing is not required for the Corporation to approve expenditures for general promotional purposes not related to a project.
  - b. To comply with State law, the Corporation will publish notice of a proposed Type B Project at least 60 days before the Corporation approves funding for the project. If the City Council does not receive a written petition within 60 days following the date of the published notice from more than ten percent of the City's registered voters requesting an election on the specific project for which notice was published, the Corporation may approve funding for the project for which the notice was published.

#### **4.04 Implied Duties**

The Corporation is authorized to do that which the Board deems desirable to accomplish any of the purposes or duties set out or alluded to in Section 4.03 of these Bylaws and in accordance with State law.

#### **4.05 Tenure**

Following the Effective Date of these Bylaws, the initial terms of three (3) of the Directors shall be for a one (1) year term or until his or her successor is appointed by the City Council and the initial terms of four (4) of the Directors shall be for a two (2) year term or until his or her successor is appointed by the City Council. Following the initial term, each Director shall serve a two (2) year term or until his or her successor is appointed by the City Council. A Director may be removed at any time, without notice and without cause, by the City Council.

#### **4.06 Vacancies**

Any vacancy occurring shall be filled by appointment by the City Council. If the vacancy was created in a directorship whose term was not expiring, the Director appointed to fill the vacancy shall serve for the unexpired term of such Director's predecessor in office.

#### **4.07 Resignations**

Any Director may resign at any time by giving written notice to the Board through its chair, the President, or the Secretary. Such resignation shall be made in writing, addressed to the Mayor and the City Secretary, and shall take effect at the time specified therein, or if no time is specified, at the time of its receipt by the City Secretary.

#### **4.08 Meetings**

Regular Meetings: The Board may provide for regular meetings of the Board of Directors by resolution stating the date, time and place of such meetings. The Board shall conduct each of its meetings at any place authorized by the Act and in compliance with the Texas Open Meetings Act, Texas Government Code § 551.001 *et. seq.*

Special Meetings: Special meetings of the Board may be called by or at the request of the President of the Corporation, by the secretary, any two (2) Directors, or upon the advice of or request by the City Council.

Any member of the Board may request that an item be placed on the agenda of a regular or special meeting by delivering the same in writing to the secretary no later than five (5) days prior to the date of the Board meeting. The secretary, or designee, shall prepare, or cause to prepare, the agenda and post, or cause to post, notice of the agenda in accordance with the Texas Open Meetings Act.

Notice of any meeting shall be given to the public in accordance with the requirements of the Texas Open Meetings Act. The notice shall contain information regarding the particular time, date, and location of the meeting and the agenda to be considered. All meetings shall be conducted in accordance with the Texas Open Meetings Act. Special notice of each special meeting shall also be given to each Director either by mail, email, telephone, telegraph or in person, at least 72 hours before the meeting time.

#### **4.09 Attendance**

Regular attendance of the Board meetings is required of all Directors. The following number of absences may constitute the need for replacement of a Director: three (3) consecutive absences, or attendance reflecting absences constituting 50% of the meetings over a 12-month period. In the event that replacement is indicated, the City Council may remove and replace the Director in question.

#### **4.10 Quorum**

At all meetings of the Board, a majority of the Board shall constitute a quorum for the transaction of business. Once a quorum is present at a meeting, the Board may conduct business until adjournment and the withdrawal of a Director from the meeting shall not affect the constituted quorum, unless the withdrawing Director openly announces that it is the intent of the withdrawal to reduce the representation at the meeting. If, however, a quorum shall not be present at any meeting of the Board, the President and/or the Directors present shall adjourn the meeting.

#### **4.11 Compensation**

The duly appointed Directors of the Board shall serve without compensation, but shall be reimbursed for actual expenses incurred in the performance of the Director's duties, subject to approval of the Board. Nothing herein contained shall be construed to preclude any Director from serving the Corporation in any other capacity and receiving compensation therefor.

#### **4.12 Voting; Action of the Board of Directors; Conflicts of Interest**

Voting; Action of the Board of Directors: Directors must be present in order to vote at any meeting. A Director may not vote at a meeting of the Board by any written proxy. Unless otherwise provided in these Bylaws or in the Articles of Incorporation or as required by law, the act of a majority of the Directors present at any meeting for which a quorum is present shall be the act of the Board.

Conflicts of Interest: In accordance with Section 22.225 of the Code, which may be amended from time to time, the Board may not make a loan or grant of money to a Director or to a business owned, in whole or in part, by the Director. Pursuant to Section 22.230 of the Code as may be amended from time to time, the Board may enter into a contract or transaction between the Corporation and: (1) one or more Directors, or one or more affiliates or associates of one or more Directors of the Corporation; or (2) an entity or organization in which one or more Directors, or one or more affiliates or associates of one or more Directors of the Corporation: (a) is a managerial official or a member; or (b) has a financial interest provided that any one of the following conditions is satisfied: (i) the material facts as to the relationship of interest and as to the contract or transaction are disclosed or known to or known by the Corporation's Board, and the Board, in good faith and with ordinary care authorize the contract or transaction by the affirmative vote of the majority of the disinterested Directors; or (ii) the contract or transaction is fair to the Corporation when the contract or transaction is authorized, approved, or ratified by the Board. In the event that a Director is aware of a conflict of interest or potential conflict of interest as described above, with regard to any particular vote, the Director shall bring the same to the attention of the Board and shall abstain from the vote, unless the Board determines that no conflict of interest exists. Any Director may bring to the attention of the Board any apparent conflict of interest or potential conflict of interest of any other Director, in which case the Board shall determine whether a true conflict of interest exists before any vote shall be taken regarding that particular matter. The Director as to whom a question of interest has been raised shall refrain from voting with regard to the determination as to whether a true conflict exists.

#### **4.13 Board's Relationship with the City Council**

In accordance with State law, the City Council shall require that the Corporation be responsible to it for the proper discharge of its duties assigned in these Bylaws. All policies for program administration shall be submitted for Council approval, and the Board shall administer such programs accordingly. All expenditures for "Projects," as defined in the Act and unbudgeted expenditures for non-Project costs that exceed \$10,000.00 shall be submitted for Council approval prior to the disbursement of funds. The Board shall determine its policies and direction within the limitations of the duties herein imposed by applicable laws, the Articles of Incorporation, these Bylaws, contracts entered into with the City, and budget and fiduciary responsibilities.

#### **4.14 Board's Relationship with Administrative Departments of the City**

Any request for services made to the administrative departments of the City shall be made by the Board or its designee in writing to the City Manager. The City Manager may approve such request for assistance from the Board when he finds such requested services are available within the administrative departments of the City and that the Board has agreed to reimburse the administrative department's budget for the costs of such services so provided.

Any requests for legal assistance shall be made by the Board or its designee to the City Attorney. The City Attorney may provide such assistance when such services are available and the Board has agreed to reimburse the City for the costs to provide the legal services. When such services are unavailable from the City Attorney, the Board may obtain other legal counsel.

### **SECTION V OFFICERS**

#### **5.01 Officers of the Corporation**

The officers of the Corporation shall be a President, Vice President, Secretary, and Treasurer, and such other officers as the Board of Directors may from time to time elect or appoint. Such officers shall have the authority and perform the duties of the office as the Board may from time to time prescribe. Any two (2) or more offices may be held by the same person, except the office of President.

#### **5.02 Selection of Officers**

The officers of the Corporation shall be elected annually by the Board at the first regular meeting in October, except for the initial term, whereupon the officers shall be elected at the first meeting of the Board. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall serve a term of one (1) year; provided, however, each officer shall continue to serve until the election of his or her successor. An officer may be re-appointed to an office he has previously held.

#### **5.03 Vacancies**

Vacancies in any office which occur by reason of death, resignation, disqualification, removal, or otherwise, may be filled by the Board of Directors for the unexpired portion of the term of that office, in the same manner as other officers are elected to the Board.

#### **5.04 President**



The President shall be the chief executive officer of the Corporation with the following authority, all subject to the control of the Board of Directors:

1. Shall be in general charge of the properties and affairs of the Corporation.
2. Shall preside over all meetings of the Board.
3. Shall have the right to vote on all matters coming before the Board.
4. Shall have the authority, upon notice to the members of the Board, to call a special meeting of the Board when in his/her judgment such meeting is required.
5. Shall have the authority to appoint committees composed of Directors and/or a combination of Directors and members who are not Directors.

In addition to the above-mentioned duties, the President shall sign any deed, mortgage, bonds, contracts, or the instruments which the Board of Directors has approved and unless the execution of said document has been expressly delegated to some other officer or agent of the Corporation by appropriate Board resolution, by a specific provision of these Bylaws, or by statute. In general, the President shall perform all duties incident to the office, and such other duties as shall be prescribed from time to time by the Board of Directors.

#### **5.05 Vice President**

In the absence of the President, or in the event of his or her inability to act, the Vice President shall perform the duties of the President. When so acting, the Vice President shall have all power of and be subject to all the same restrictions as upon the President. The Vice President shall also perform other duties as from time to time may be assigned to him or her by the President or by the Board of Directors.

#### **5.06 Secretary**

The Secretary shall keep, or cause to be kept, at the registered office a record of the minutes of all meetings of the Board and of any Board committee meetings. The Secretary shall also file a copy of said minutes with the City. The Secretary shall be custodian of the Corporation records and seal of the Corporation, and shall keep a register of the mailing address and street address, if different, of each Director. The Secretary shall, in general, perform all the duties incident to that office, and such other duties as from time to time may be assigned to him or her by the President or by the Board of Directors. The Secretary may delegate all of his/her duties to a member of the City staff designated by the City Manager to perform the duties.

#### **5.07 Treasurer**

The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Corporation, shall work with and establish policies for the Corporation's accountant/bookkeeper to safeguard such funds and securities, and shall be the point of contact with the Corporation's auditors. The Treasurer shall receive and give receipt for money due and payable to the Corporation from any source

whatsoever, and shall deposit all such moneys in the name of the Corporation in such bank, trust corporation, and/or other depositories as shall be specified in accordance with Article VII of these Bylaws. The Treasurer shall, in general, perform all the duties incident to that office, and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

#### **5.08 Assistant Secretaries and Assistant Treasurers**

The Assistant Secretaries and Assistant Treasurers, if any, shall in general, perform such duties as may be assigned to them by the Secretary or the Treasurer, or by the Board.

#### **5.09 Other Employees**

The Corporation may employ such full or part-time employees as needed to carry out the programs of the Corporation.

#### **5.10 Contracts for Service**

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

### **SECTION VI COMMITTEES**

#### **6.01 Committees**

The President may appoint, subject to Board approval, one or more committees consisting of Board members, persons other than Board members, or both, for specific purposes, projects or functions, as the Board may direct, and for such terms as the Board may direct. No committee shall have any authority to bind the Corporation. Any committee member may be removed from committee membership by the President, with Board approval, whenever in their judgment the best interests of the Corporation would be served by such removal.

#### **6.02 Vacancies on Committees**

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

#### **6.03 Ex-Officio Members**

The City Manager or his/her designee and the Mayor or his/her designee may attend all meetings of the Board of Directors or Committees, including executive, private or public. These representatives shall not have the power to vote in the meetings they attend. Their attendance shall be for the purpose of ensuring that information about the meetings are accurately communicated to the City Council and to satisfy the City Council obligation to control the powers of the Corporation.

**SECTION VII  
FINANCIAL ADMINISTRATION**

**7.01 Accounting Services**

The Corporation may contract with the City or a private contractor for financial and accounting services. The Corporation's financing and accounting records shall be maintained according to the following guidelines.

**7.02 Fiscal Year**

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

**7.03 Budget**

Prior to the beginning of a new fiscal year, a budget for the forthcoming fiscal year shall be submitted to, and approved by, the Board of Directors, and the City Council of the City of De Leon. In submitting the budget to the City Council, the Board of Directors shall submit the budget on forms prescribed by the City Manager and in accordance with the annual budget preparation schedule as set forth by the City Manager. The budget shall be submitted to the City Manager for inclusion of it in the annual budget presentation to the City Council. The budget proposed for adoption shall include the projected operating revenues and expenditures, and such other budgetary information as shall be useful to or appropriate for the Board of Directors and the City of De Leon.

**7.04 Contracts**

As provided in Article V above, the President shall execute any contracts or other instruments which the Board has approved and authorized to be executed, provided, however, that the Board may by appropriate resolution, authorize any other officer or officers or any other agent or agents, to enter into contracts or execute and deliver any instrument in the name and on behalf of the Corporation. Such authority may be confined to specific instances or defined in general terms. When appropriate, the Board may grant a specific or general power of attorney to carry out some action on behalf of the Board, provided, however that no such power of attorney may be granted unless an appropriate resolution of the Board authorizes the same to be done.

**7.05 Checks and Drafts**

All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined and authorized by the Board of Directors. In the absence of such determination and authorization by the Board, such instruments shall be signed by the President and countersigned by the Treasurer, or in the absence of the President and/or Treasurer, either the Vice President and/or Secretary is authorized to sign. Notwithstanding the foregoing,

the Corporation is authorized to use direct deposit for payroll checks of its employees without the necessity of the signatures described above.

#### **7.06 Deposits**

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

#### **7.07 Gifts**

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

#### **7.08 Purchasing**

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

#### **7.09 Investments**

Temporary and idle funds which are not needed for immediate obligations of the Corporation may be invested in any legal manner provided in Texas Government Code Chapter 2256 (Public Funds Investment Act).

#### **7.10 Bonds**

Any bonds issued by the Corporation shall be in accordance with the statute governing this Corporation but in any event, no bonds shall be issued without approval of the De Leon City Council after review and comment by the City's bond counsel and financial advisor.

#### **7.11 Uncommitted Funds**

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

The Undesignated Fund Balance may be committed for any legal purpose provided the Corporation's Board of Directors and the City Council both approve such commitment. This 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 the operation of the Corporation.

#### **7.12 Financial Audit**

The Board of Directors shall provide for an annual financial audit to be performed by a competent independent audit firm.

**SECTION VIII  
REPORTS**

**8.01 Books and Records**

The Corporation shall keep correct and complete books and records of all actions of the Corporation, including books and records of accounts and the minutes of meetings of the Board of Directors and of any committee having any authority of the Board. All books and records of the Corporation may be inspected by Directors of the Corporation or his/her agent or attorney at any reasonable time; and any information which may be designated as public information by law shall be open to public inspection at any reasonable time. The Texas Open Records Act and Open Meetings Act shall apply to disclosure of public information.

**SECTION IX  
SEAL**

**9.01 Seal**

The Board of Directors shall obtain a corporate seal which shall bear the words "De Leon Industrial Development Corporation"; the Board may thereafter use the corporate seal and may later alter the seal as necessary without changing the corporate name; but these Bylaws shall not be construed to require the use of the corporate seal.

**SECTION X  
PROGRAM**

**10.01 Authorization**

The Corporation shall carry out its program subject to its Articles of Incorporation and these Bylaws, and such resolutions as the Board may from time to time authorize.

**10.02 Program**

The program of the Corporation shall be to assist, stimulate, and enhance economic development in De Leon, Texas, subject to applicable State and Federal law, these Bylaws, and the Articles of Incorporation.

**SECTION XI  
PARLIAMENTARY AUTHORITY**

**11.01 Amendments to Bylaws**

These Bylaws may be amended or repealed and new Bylaws may be adopted by an affirmative vote of four (4) of the authorized Directors serving on the Board, at a meeting of the Directors held for such specific purpose. No amendment shall become effective unless the City Council approves the amendment. Notwithstanding the foregoing, the City Council may amend these bylaws upon its own initiative.



## **SECTION XII DISSOLUTION**

### **12.01 Termination**

Pursuant to Texas Local Government Code Section 504.351, as may be amended from time to time, on petition of ten (10) percent or more of the registered voters of the City of De Leon requesting an election on the termination of the Corporation, the City Council shall order an election on the issue. The election must be conducted according to the applicable provision of the Election Code. The ballot for the election shall be printed to provide for voting for or against the proposition:

"Dissolution of the De Leon Industrial Development Corporation."

If a majority of voters voting on the issue approve the termination, the Corporation shall continue operations only as necessary to pay the principal of and interest on its bonds and to meet obligations incurred before the date of the election and, to the extent practicable, shall dispose of its assets and apply the proceeds to satisfy those obligations. When the last of the obligations is satisfied, any remaining assets of the Corporation shall be transferred to the City, and the Corporation is terminated.

## **SECTION XIII INDEMNITY**

### **13.01 Right to Indemnification**

The Corporation shall indemnify a Director or officer of the Corporation for expenses, including attorney's fees, actually and necessarily incurred by him or her in connection with a claim asserted against the Director or officer, by action in court or another forum, by reason of the Director's or officer's being or having been a Director or officer of the Corporation, to the extent allowed by applicable law, including Texas Local Government Code Section 501.066 and Chapter 8 of the Business Organizations Code, both which may be amended from time to time.

### **13.02 Expenses**

The Corporation may advance expenses to Directors and officers of the Corporation, and other persons serving at the request of the Corporation (as provided in this Article), to the maximum extent permitted, and in the manner prescribed, by the Act or other applicable law; provided, however, that the Corporation may not advance expenses to any person in a proceeding involving the Corporation against such person.

### **13.03 Insurance**

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, against or in respect of any liability asserted against him or her and incurred by him or her in such a capacity or arising out of his or her status as such

a person, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of these Bylaws or by applicable State law.

**13.04 Savings Clause**

If this Article or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify and hold harmless each Director or any other individual person indemnified pursuant to this Article as to expenses, including attorney's fees, judgments, fines and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative to the full extent permitted by any applicable portion of this Article that shall not have been invalidated and to the fullest extent permitted by applicable law.

**SECTION XIV  
MISCELLANEOUS**

**14.01 Relation to Articles of Incorporation**

These Bylaws are subject to, and governed by, the Articles of Incorporation, as amended, and applicable State statutes under which the Corporation is organized.

**CERTIFICATE OF SECRETARY**

I certify that I am the duly elected and acting secretary of the De Leon Industrial Development Corporation and that the foregoing Bylaws constitute the Bylaws of the Corporation. These Bylaws were duly adopted at a meeting of the Board of Directors held on the 22<sup>nd</sup> day of June, 2021.

Dated: June 22, 2021

  
\_\_\_\_\_  
Secretary of the Corporation