

**BYLAWS**  
**OF**  
**BROWNFIELD INDUSTRIAL DEVELOPMENT CORPORATION**  
**A NON-PROFIT CORPORATION**  
**BROWNFIELD, TEXAS**

SECTION I

OFFICES

1.01 Registered Office and Registered Agent

The Corporation shall have and continuously maintain in the State of Texas a registered office, and a registered agent whose office is identical with such registered office, as required by the Texas Non-Profit Corporation Act. The Board of Directors may, from time to time, change the registered agent and/or the address of the registered office, provided that such change is appropriately reflected in these Bylaws and in the Article of Incorporation.

The registered office of the Corporation is located at 201 West Broadway Street, Brownfield, Texas 79316, and at such address is the corporation, whose mailing address is the same.

1.01 Principal Office

The principal office of the Corporation in the State of Texas shall be located in the City of Brownfield, County of Terry, and it may be, but need not be, identical with the registered office of the Corporation.

SECTION II  
PURPOSES

2.01 Purposes

The Corporation is a non-profit corporation specifically governed by the Texas Development Corporation Act of 1979, as amended. The purpose of the Brownfield Industrial Development Corporation, is to promote, assist, and enhance economic development in accordance with the Articles of Incorporation.

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"), appointed as provided in Section 4.02 of these By-Laws and subject to applicable limitations imposed by the Texas Non-Profit Corporation Act, the Texas Business Corporation Act, 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 requiring such authorization.

The Board may plan and direct its work through a Director of Economic Development, who will be charged with the responsibility of carrying out the Corporation's program as adopted entity for the services of a director.

4.02 Number and Qualifications

The authorized number of Directors of this Board shall be five (5).

The BIDCorp Board shall recommend potential Directors of the Corporation to the Council. The City Council may then appoint from those recommended by the Board or nominated by the Council. The number of Directors shall be five (5). Each Director shall meet at least one (1) of the following qualifications:

- (a) serve, or have served, as Chief Executive Officer of a company; or
- (b) serve, or have served, in a position of executive management of a company; or
- (c) serve, or have served, in a professional capacity; or
- (d) have experience equivalent to any of the above qualifications.

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 Bonds

This section deleted.

#### 4.04 General Duties of the Board

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 Brownfield. 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, military and academic resources to develop and enhance business opportunities for all citizens of Brownfield.
  - 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 direct economic development as defined in this Section.
  - 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 7.02 of these Bylaws.
  - g. To assist the Board in the implementation of the overall economic development plan, the Board may seek out and employ a Director of Economic Development. The Director of Economic Development shall be responsible to the Board and shall act as the Board's chief administrative officer and shall assist the Board in carrying out the duties of the Board as set forth in this section. The Board shall, in the annual budget, make provisions for the compensation to be paid to the

Director of Economic Development and such compensation so established by the Board shall comprise the salary and benefits paid to the Director of Economic Development for his/her services.

- h. The Director of Economic Development may employ such personnel as may be necessary to discharge the Corporation's assigned duties. The compensation for all such employees shall be set by the Board in its annual budget and such compensation so established by the Board shall comprise the salary and benefits for such employees, and provided further, no such employee shall be hired until such time as the Board has established such compensation for the position in question.
  - i. The Director of Economic Development shall be hired by the Board with the approval of the City Council and may be removed by a vote of 3 members of the Board.
1. The Board shall review and update its overall economic development plan twice each year to ensure that said plan is up to date with the current economic climate and is capable of meeting Brownfield's current economic development needs.
1. The Board shall expend, in accordance with State law, the tax funds received by it on direct economic development where expenditures will have a direct benefit to the citizens of Brownfield. As used in this article, "direct economic development" shall mean the expenditure of such tax funds for programs that directly accomplish or aid in the accomplishment of creating identifiable new jobs or retaining identifiable existing jobs including job training and/or planning and research activities necessary to promote said job creation. The Corporation's focus will be primarily in the areas of:
  - a. Business retention and expansion
  - b. Formation of new business
  - c. Business attraction
1. The Brownfield Industrial Development Corporation shall make reports to the City Council of the City of Brownfield. The Brownfield Industrial Development Corporation shall discharge this requirement by reporting to the City Council in the following manner:
  - a. The Brownfield Industrial Development 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 expenditures made by the Board in connection with their activities involving direct economic development as defined in this article, together with a report of all other expenditures made by the Board.

1. A review of the accomplishments of the Board in the area of direct economic development.
  1. The policies and strategy followed by the Board in relation to direct economic development together with any new or proposed changes in said policies and strategy.
  1. The activities of the Board for the budget year addressed in said annual report, together with any proposed change in said activity or activities related to direct economic development.
  1. A review of the activities of the Board in areas of endeavor other than direct economic development together with any proposed changes in such activities.
  1. The annual required report shall be made to the City Council no later than the last Council meeting in November of each year.
  1. The annual report shall be considered by the City Council for its review and acceptance.
- b. 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. This report shall be made by the Board to the City Council upon request of the City Council. The report 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 reporting period together with recommendations to meet such short term challenges.
  3. Long term issues to be dealt with over the succeeding twelve-month period or longer period of time, together with recommendations to meet such issues with emphases to be placed on direct economic development.
  4. A recap of all budgeted expenditures to date, together with a recap of budgeted funds left unexpended and any commitment made on said unexpended funds. The recap of expenditures shall set forth separately those expenditures made in connection with direct economic development

and those expenditures made by the Board in the discharge of its other duties.

#### 4.05 Implies Duties

The Brownfield Industrial Development 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 4.04 of these Bylaws and in accordance with State law.

#### 4.06 Tenure

The initial terms of office for the Directors shall be two (2) Directors with three (3) year terms, two (2) Directors with two (2) year terms, and one (1) Director with a one (1) year term, as designated by the City Council. No member of the Board shall serve more than two (2) consecutive terms. The BIDCorp Board shall recommend potential Directors of the Corporation to the Council. The City Council may then appoint from those recommended by the Board or nominated by the Council. The number of Directors shall be five (5). After the initial term of office the Directors shall serve for three (3) years. Directors shall be removable at any time by the City Council by vote of five (5) council members.

#### 4.07 Vacancies

Vacancies shall be filled in the same manner as provided by Section 4.02.

#### 4.08 Meetings

The Board shall meet at least once each month at a place and time to be determined by the President. All meetings of the Board shall provide notice thereof as provided and set forth in Vernon's Annotated Civil Statutes Article 6252-17, et seq. Any member of the Board may request that an item be placed on the agenda by delivering the same in writing to the secretary of the Board no later than ten (10) days prior to the date of the Board meeting. The President of the Board shall set regular meeting dates and times at the beginning of his/her term.

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.

The annual meeting of the Board of Directors shall be the regular scheduled meeting in November.

#### 4.09 Attendance

Regular attendance of the Board meetings is required of all members. The following number of absences may constitute the need for replacement of a member: three (3) consecutive absences, or attendance reflecting absences constituting 50% of the

meetings over a 12-month period. In the event replacement is indicated, the member will be counseled by the President and, subsequently, the President shall submit in writing to the City Secretary the need to replace the Board member in question.

#### 4.10 Quorum

For the purpose of convening a meeting, a simple majority of the appointed number of appointed Directors then serving on the Board shall constitute a quorum. For purposes of transacting the business of the Corporation at any meeting, a simple majority of the appointed Directors shall constitute a quorum. If there is an insufficient number of Directors present to convene the meeting, the presiding officer shall adjourn the meeting.

#### 4.11 Compensation

The duly appointed members of the Board shall serve without compensation, but shall be reimbursed for actual or commensurate cost of travel, lodging and incidental expenses while on official business of the Board in accordance with State law.

#### 4.12 Voting; Action of the Board of Directors

Directors must be present in order to vote at any meeting. Unless otherwise provided in these Bylaws or in the Articles of Incorporation or as required by law, the act of a simple majority of the Directors present at any meeting for which a quorum is present shall be the act of the Board of Directors. In the event that a Director is aware of a conflict of interest or potential conflict of interest, with regard to any particular vote, the Director shall bring the same to the attention of the meeting 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 meeting 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 City Council

In accordance with State law, the City Council shall require that the Brownfield Industrial Development Corporation be responsible to it for the proper discharge of its duties assigned in this article. All policies for program administration shall be submitted for Council approval, and the Board shall administer said programs accordingly. 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 departments's budget for the costs of such services as 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 cost providing the legal services.

## SECTION V OFFICERS

### 5.01 Officers of the Corporation

The elected officers of the Corporation shall be a President, Vice President, Secretary, and Treasurer. The Board may resolve to elect one or more Assistant Secretaries or one or more Assistant Treasures as it may consider desirable. Such officers shall have the authority and perform the duties of the office as the Board may from time to time prescribe or as the Secretary or Treasurer may from time to time delegate to his or her respective Assistant. Any two (2) or more offices may be held by the same person, except the office of President.

### 5.02 Selection of Officers

The initial President and Vice President shall be elected by the Board and shall serve a term of one (1) year. On the expiration of the term of office of the original President and Vice President, the Board shall select from among its Members individuals to hold such office. The term of office of the President and Vice President shall always be for a period of one year; provided, however, that the President and Vice President continue to serve until the election of their successors.

The Secretary and Treasurer shall be selected by the members of the Board and shall hold office for a period of one (1) year; provided, however, that they shall continue to serve until the election of their successors. Elections shall be held at the annual meeting of the Board.

### 5.03 Vacancies

Vacancies in any office which occur by reason of death, resignation, disqualification, removal, or otherwise, shall be filled in accordance with Section 4.02

herein 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 presiding officer of the Board with the following authority:

- A. Shall preside over all meetings of the Board.
  2. Shall have the right to vote on all matters coming before the Board.
  3. Shall have the authority, upon notice to the members of the Board, to call a special meeting of the Board when in his judgment such meeting is required.
  4. Shall have the authority to appoint standing committees to aid and assist the Boar in its business undertakings or other matters incidental to the operation and functions of the Board.
  5. Shall have the authority to appoint ad hoc committees which may address issues of a temporary nature of concern or which have a temporary affect on the Business of the Board.

In addition to the above mentioned duties, the President shall sign with the Secretary of the Board any deed, mortgage, bonds, contracts, or other 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.

#### 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 committees of the Board. The Secretary shall also file a copy of said Minutes with the City and the same to be given, in accordance with the provisions of these Bylaws, or as required other applicable law. The Secretary shall be custodian of the corporate records and seal of the Corporation, and shall keep a register of the mailing address and street address, if different, of each director.

#### 5.07 Treasurer

The Treasurer shall be the City Secretary/Director of Finance of the City of Brownfield and shall be bonded for the faithful discharge of his/her duties with such surety or sureties and in such sum as the Board of Directors shall determine by Board resolution, but in no event shall the amount of such bond be less than an amount equal to the average of the sums which the Treasurer has access to and the ability to convert during a twelve (12) month period of time. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Corporation. 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 seven 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 of the Board

#### 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 of the Treasurer, or by the President or the Board of Directors.

#### 5.09 Director of Economic Development

The Corporation may employ a Director of Economic Development. The Director of Economic Development shall serve as the Chief Executive Officer of the Corporation and shall oversee all administrative functions of the Corporation. The Director shall develop policies and procedures for the Corporation including financial, accounting, and purchasing policies and procedures to be approved by the Board and City Council.

#### 5.10 Other Employees

The Corporation may employ such full or part-time employees as needed to carry out the programs of the Corporation. These employees shall perform those duties as are assigned to them by the Director of Economic Development. The Director of Economic Development shall hire, direct, and control the work of all Corporation employees.

#### 5.11 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 Qualifications for Committee Membership

Members of committees shall be appointed by the President, and approved by the Board. Committee members need not be members of the Brownfield Industrial Development Corporation unless required by these Bylaws or Board resolution.

### 6.02 Standing Committees

The President shall have authority to appoint the following standing committees of the Board and such other committees as the Board may deem appropriate in the future:

1. Budget, Finance and Audit Committee: This committee shall have the responsibility of working with the Director, or the contractual entity performing as a Director as the case may be, in the formation and promotion of the annual budget of the Board. The Committee shall present such budget to the Board and, upon approval, shall present, in accordance with these Bylaws, said budget to the City Council. In addition to the preparations of the budget for the Board and keep the Board advised in such matters. The Committee shall further have the responsibility to oversee and work with auditors of the City or outside auditors when audits of the Board are being performed.
2. Committee for Business Retention and Expansion: This committee shall work with the Director of Economic Development and shall keep the Board informed of all development and activities concerning business retention and expansion.
3. Committee for New Business Formation: This committee shall work with the Director of Economic Development and shall keep the Board informed of all development and activities concerning new business formation.
4. Committee for New Business Attraction and Recruitment: This committee shall work with the Director of Economic Development and shall keep the Board informed of all developments and activities concerning business attraction and recruitment.

### 6.03 Special Committees

The President 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 members of the respective committees.

No such committee shall have independent authority to act for or in the stead of the Board of Directors with regard to the following manners: amending, altering, or repealing the Bylaws; electing, appointing, or removing any member of any such committee or any Director or Officer of the Corporation; amending the Articles of Incorporation; adopting a plan of merger or adopting a plan of consolidation with another corporation; authorizing the sale, 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 the proceedings therefor; adopting a plan for the distribution of the assets of the Corporation; or amending altering, or repealing any resolution of the Board of Directors which by its terms provides that it shall not be amended, altered, or repealed by such committee.

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

#### 6.04 Term of Office of Committee Members

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

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.

#### 6.05 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 the committee.

#### 6.06 Ex-Officio Members

The City Manager or his designee and the Mayor or his designee may serve as an ex-officio member of any or all of the 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

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

### 7.01 Fiscal Year

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

### 7.02 Budget

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 Brownfield. 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 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 expenses, and such other budgetary information as shall be useful to or appropriate for the Board of Directors and the City Council of the City of Brownfield.

### 7.03 Contracts

As provided in Article V above, the President and Secretary 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, including the Director of Economic Development, 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.

### 7.04 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 or bear the facsimile of the Treasurer.

#### 7.05 Deposits

All funds of the Brownfield Industrial Development 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.

#### 7.06 Gifts

The Brownfield Industrial Development 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.

#### 7.07 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.

#### 7.08 Investments

Temporary and idle funds which are not needed for immediate obligations of the Corporation may be invested in any legal manner provided in Tex. Rev. Civ. Stat. Ann. Art. 842a-2 (Public Funds Investment Act).

#### 7.09 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 Brownfield City Council after review and comment by the City's bond counsel and financial advisor.

#### 7.10 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.

## SECTION VIII BOOKS AND RECORDS

### 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 account and the minutes of meetings of the Board of Directors and of any committee having any authority of the Board and to the City Council. 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. The Board of Directors shall provide for an annual financial audit to be performed by a competent independent audit firm.

### 8.02 Reports

The Corporation shall provide prior to payment summaries of proposed dispersal of funds for anticipated projects, and funds that are dispersed over \$50,000.

If any two (2) Council members, or one (1) Council member and the Mayor, request formal Council consideration, the City Manager shall notify the Director who shall not make the dispersal unless the request for formal Council action is withdrawn. Upon request for formal Council consideration, no such payment shall be made, unless a formal public vote in open City Council session is made to approve the dispersal.

## SECTION IX PROGRAM

### 9.01 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.

### 9.02 Program

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



SECTION X  
PARLIAMENTARY AUTHORITY

10.01 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 special meeting of the Directors held for such specific purpose, and the notice requirements stated hereinabove regarding special meetings shall apply. The Directors of the Corporation present at an annual meeting of the Board may, by a vote of four (4), in accord with the requirements of Article IV hereinabove, amend or repeal and institute new Bylaws, provided that at least ten (10) days prior to the annual meetings, written notice setting forth the proposed action shall have been given to the Directors, and public notice regarding such action given according the requirements of the Texas Open Meetings Act and Open Records Act.

Notwithstanding the foregoing, no amendment shall become effective unless the City Council approves any such amendment, repeal or adoption of the new Bylaws

SECTION XI  
DISSOLUTION

11.01 Dissolution

On petition of ten (10) percent or more of the registered voters of the City of Brownfield requesting an election on the dissolution 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 Brownfield Industrial Development Corporation"

If a majority of voters voting on the issue approve the dissolution, the Corporation shall continue operations only as necessary to pay the principal of 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 dissolved.

## SECTION XII INDEMNITY

### 12.01 Indemnity

The Board of Directors shall authorize the Corporation to pay or reimburse any current or former Director or Officer of the Corporation for any costs, expenses, fines, settlements, judgments, and other amounts, actually and reasonable incurred by such person in any action, suit, or proceeding to which he or she is made a party by reason of holding such position as Officer or Director; provided, however, that such Officer or Director shall not receive such indemnification if he/she be finally adjudicated in such instance to be liable for gross negligence or intentional misconduct in office. The indemnification herein provided shall also extend to good faith expenditures incurred in anticipation of, or preparation for, threatened or proposed litigation. The Board of Directors may, in proper cases, extend the indemnification to cover the good faith settlement of any such action, suit, or proceedings, whether formally instituted or not.

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

Corporation further agrees that it shall at all times exercise reasonable precautions on behalf of, and be solely responsible for, the safety of its officers, agents, employees, licensees, invitees, and other persons, as well as their property, while in the vicinity where activities are being performed. It is expressly understood and agreed that City of Brownfield shall not be liable or responsible for the negligence of Corporation including but not limited to its officers, agents, employees, licensees, invitees, and other persons.

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

SECTION XIII  
MISCELLANEOUS

13.01 Relation to Articles of Incorporation

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