

ORDINANCE NO. 25-10-16-04

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAGO VISTA, TEXAS, AUTHORIZING THE CREATION OF THE LAGO VISTA ECONOMIC DEVELOPMENT CORPORATION (“LVEDC”), A TYPE B ECONOMIC DEVELOPMENT CORPORATION UNDER THE TEXAS LOCAL GOVERNMENT CODE; APPROVING THE CERTIFICATE OF FORMATION; APPOINTING THE INITIAL BOARD OF DIRECTORS; APPOINTING A REGISTERED AGENT AND DESIGNATING A REGISTERED OFFICE; APPROVING THE FORM OF BYLAWS; PROVIDING AUTHORIZATION TO FILE THE CERTIFICATE OF FORMATION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Lago Vista, Texas, finds that it is in the best interest of the citizens of Lago Vista to authorize the creation of a Type B economic development corporation pursuant to Chapters 501, 502, and 505 of the Texas Local Government Code (the “Code”), for the purpose of promoting and developing new and expanded business enterprises and other lawful projects as authorized by the Code;

WHEREAS, the Certificate of Formation attached hereto as Exhibit “A” accurately reflects the intent of the City Council;

WHEREAS, the City Council desires to appoint the initial Board of Directors of the Lago Vista Economic Development Corporation in accordance with Tex. Loc. Gov’t Code § 505.051;

WHEREAS, the City Council further desires to appoint a Registered Agent and designate a Registered Office for the Lago Vista Economic Development Corporation in accordance with Tex. Loc. Gov’t Code § 505.056;

WHEREAS, the City Council finds it necessary and proper to authorize designated persons to execute and file the Certificate of Formation with the Texas Secretary of State as provided by law;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAGO VISTA, TEXAS, THAT:

SECTION 1. INCORPORATION OF RECITALS. The above recitals are true and correct and are hereby adopted as findings of fact and made a part of this Ordinance for all purposes.

SECTION 2. CREATION OF CORPORATION; CERTIFICATE OF FORMATION. Pursuant to Tex. Loc. Gov’t Code § 505.251(a), the City Council hereby authorizes the creation of the Lago Vista Economic Development Corporation as a Type B economic

development corporation under the Code. The Certificate of Formation attached hereto as Exhibit "A" is approved.

SECTION 3. INITIAL BOARD OF DIRECTORS. The following individuals are appointed as the initial Board of Directors of the Corporation in accordance with Tex. Loc. Gov't Code § 505.051:

- Justin Loucks, 20905 Roundup Trail, Lago Vista, TX, 78645
- Jeff Flauding, 3611 Mount Laurel Road, Lago Vista, TX, 78645
- Jonathan Awtry, 21501 Rimrock Circle, Lago Vista, TX, 78645
- Cory Wright, 8113 Prairie Rye Dr., Lago Vista, TX, 78645
- Russell Murphy, 21472, Lakefront Dr., Lago Vista, TX, 78645
- Don Johndrow, 20808 El Dorado St., Lago Vista, TX, 78645
- Norma Owen, 4221 Hillside Dr., Lago Vista, TX, 78645

SECTION 4. REGISTERED AGENT AND REGISTERED OFFICE. Mayor Elect, Shane Saum, City Manager, Charles West, and Director of Economic Development, Eric Zeno is appointed as Registered Agents, and the registered office of the Corporation is designated as Lago Vista City Hall, 5803 Thunderbird Street, Lago Vista, Texas 78645.

SECTION 5. ORGANIZERS. The following individuals are authorized and directed to execute and file the Certificate of Formation with the Texas Secretary of State:

- Shane Saum, Mayor Elect
- Charles West, City Manager
- Eric Zeno, Director of Economic Development

SECTION 6. FORM OF BYLAWS. The form of Bylaws attached hereto as Exhibit "B" is approved for adoption by the initial Board of Directors. The Mayor is authorized to sign the Bylaws following their adoption by the initial Board.

SECTION 7. EFFECTIVE DATE. This Ordinance shall take effect immediately upon its passage and approval by the City Council.

PASSED AND APPROVED this 16th day of October 2025.



Kevin Sullivan, Mayor

ATTEST:


Robin Smith, City Secretary



On a motion by Councilmember Norma Owen, seconded by Councilmember Shane Saum, the above and foregoing ordinance was passed and approved.

BYLAWS
of
LAGO VISTA ECONOMIC DEVELOPMENT
CORPORATION
A Non-Profit Corporation
Lago Vista, Texas

Section I
OFFICES

1.01. Registered Office and Registered Agent

The Lago Vista Economic Development Corporation (“Corporation”) shall have and continuously maintain in Lago Vista, Travis County, 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. Such change shall be reflected in appropriate amendments to documents filed with the Secretary of State’s office as required by law.

The registered office of the Corporation is located at 5803 Thunderbird St, Lago Vista, Texas 78645. The Registered Agent is its Executive Director, who receives mail at the same address.

1.02. Principal Office

The principal office of the Corporation in the State of Texas shall be located in the City of Lago Vista, County of Travis, 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 Lago Vista Economic Development Corporation is to promote, assist, encourage, and develop business, commerce, tourism, economic development activities, and community development projects within the City of Lago Vista, in accordance with the Articles of Incorporation and Chapter 505 of the Texas Local Government Code.

The Economic Development Advisory Committee existent at the formation of the Corporation will cease to exist.

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 by the City Council of the City of Lago Vista (“City Council”), and subject to applicable limitations imposed by the Texas Non-Profit Corporation Act, the Texas Business Corporation Act, the Articles of Incorporation, or these By-Laws. 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.

The Board may plan and direct its work and will be charged with the responsibility of carrying out the Corporation’s programs as adopted and planned by the Board.

4.02. Numbers, Qualifications, Composition, and Term

The City Council shall appoint the Directors of the Corporation. The number of Directors shall be seven (7). Each Director shall meet the following qualification:

Reside within the corporate city limits of the City of Lago Vista, Texas. If the City Council is unable to find qualified Director(s) that reside within the City, it may seek and appoint a Director(s) that resides within the City’s extraterritorial jurisdiction. If the City is unable to find qualified Director(s) that reside within the City or within the City’s extraterritorial jurisdiction, the City may seek and appoint a Director(s) that resides within the boundaries of the Lago Vista Independent School District.

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.

A maximum of two members of the Board may be members of the Lago Vista City Council.

The terms of office for the Directors shall be (2) years. Directors shall be removable at anytime by the City Council.

4.03. Vacancies

In the event vacancies occur on the Board of Directors, the remaining members shall determine potential new Directors, applying the same criteria and qualifications set out in Section

4.02, and shall make recommendations to the City Council of possible replacement members. The City Council shall then appoint replacements from the persons recommended by the Board. In the event the Council rejects all recommendations, the Board shall determine new potential replacements and make additional recommendations to the Council.

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 goals which the Board deems necessary to accomplish in compliance with its overall economic development plan. Such plan shall be approved by the City Council of the City of Lago Vista. 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 Lago Vista. This plan shall include methods to improve communication and cooperation between the Corporation, the City, and the Lago Vista Chamber of Commerce and other community groups or governmental entities in the City limits.
 - (d) Assurance of accountability of all tax monies 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, tracks, projects and programs to be undertaken by the Board during the upcoming fiscal year. The Annual Work Plan shall be submitted to the City Council with the Annual Budget as outlined in these By- Laws.
 - (g) The Corporation through its Board shall employ such personnel as may be necessary to discharge the Corporation's Purposes, who shall be governed by the City's personnel policies and procedures. The compensation of all Corporation employees shall be set by the Board in its annual budget and shall be comprised of salary and

benefits commensurate with the City's salary and benefits for similar employees. Employees of the Corporation shall report to and be governed by the Board in the performance of their official duties and shall at all times work cooperatively with the City to maintain a strong partnership. Any costs incurred by the City in administering Corporation personnel, payroll, or benefits shall be reimbursed annually by the Corporation pursuant to a written agreement.

2. The Board shall review and update its overall Economic Development Plan once each year to ensure that the Plan is aligned with the current economic climate and is capable of meeting the City's current economic development needs.
3. The Board shall expend, in accordance with State law, the funds received by it on economic development where such expenditures will have a direct benefit to the citizens of Lago Vista as set out in Section 505.151 of the Texas Local Government Code.
4. The Corporation may also include community development projects (as set out in Chapter 505 of the Texas Local Government Code) in its annual work plan.
5. The Corporation shall make regular reports to the City Council at least three times annually on such dates as determined by the City Council and City Manager. The City may request additional reports with reasonable notice to the Corporation. The regular reports shall consist of (but not be limited to) the following information:
 - (a) An overview of the revenues and expenditures of the Corporation to date;
 - (b) A review of the current accomplishments of the Corporation;
 - (c) An update on current projects being monitored by the Board and staff of the Corporation (which may be delivered in executive session when permitted by law);
 - (d) Any updates to the Corporation's Strategic Plan;
 - (e) Anticipated short term and long-term challenges in achieving the goals of the Strategic Plan.

4.05. 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 the Corporation's Articles of Incorporation, these By-Laws, and in accordance with State law.

4.06. Meetings

The Board shall meet at least once each month at a place in the City and time to be determined by the President. 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 or the Executive Director 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 their term of office.

At the request of any three (3) Directors, a meeting of the Economic Development Corporation shall be called in the absence, inability, or refusal of the President.

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 during the month of December of each year.

4.07. 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 twelve (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.

4.9. Quorum

For the purpose of convening meeting and transacting business, a simple majority of the 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 without the board taking any action.

4.10. 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.

4.11. Voting: Action of the Board of Directors

Directors must be present (as defined in the Texas Open Meetings Act) in order to vote at any meeting. Unless otherwise provided in these By-Laws 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.

4.12. Board's Relationship with City Council

The City Council shall require that the Corporation be responsible for the proper discharge of its duties assigned in these By-Laws. 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 By-Laws, contracts entered into with the City, and budget and fiduciary responsibilities.

Section V

OFFICERS

5.01. Officers of the Corporation

The elected Officers of the Corporation shall be a President, Vice President, and Secretary. Any two (2) or more offices may be held by the same person, except the office of President.

5.02. Selection and Term of Officers, Holdover

The President, Vice President, and Secretary shall be elected by the Board at its annual meeting and shall serve a term of two (2) years.

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 presiding Officer of the Board with the following authority:

1. 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 Board in its business undertakings or other matters incidental to the operation and functions of the Board; and

5. Shall have the authority to appoint Ad Hoc Committees which may address issues of a temporary nature or concern, or which have a temporary effect on the business of the Board.

5.05. Vice President

In the absence of the President, or in the event of the President's 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 by the President.

5.06. Secretary

The Secretary shall keep, or cause to be kept, at the Corporation's 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 the Minutes with the City Secretary and the same to be retained in accordance with the provisions of these By-Laws, or as required by the Texas Open Meetings act or the Texas Public Information Act or other applicable law. The City 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. 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 and accomplishment of its Purposes. The Corporation shall follow all City purchasing policies and procedures, unless the Board determines otherwise, in which event the Corporation shall follow all purchasing requirements set out in State law. No contract of the Corporation shall ever be approved or entered into which seeks or attempts to divest the Board of Directors of its discretion and policymaking functions in discharging the duties set forth in these By-Laws.

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 Lago Vista Economic Development Corporation unless required by these By-Laws or Board resolution creating the Committee.

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 for the future.

1. **Budget, Finance and Audit Committee.** This Committee shall have the responsibility of working with City Staff and Corporation employees as necessary in the formation and promotion of the Annual Budget of the Board. The Committee shall present the budget to the Board and, upon approval, shall present, in accordance with these By-Laws, the budget to the City Council. In addition to the preparation of the budget for the Board, the Committee shall monitor all budget expenditures of 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 Corporation or Board are being performed.

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 place of the Board of Directors with regard to the following matters: amending, altering, or repealing the By-Laws, 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 therefore; 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 the authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed by law.

6.04. Terms 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 is 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 of 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.

6.06. Ex-Officio Members

At the discretion of the Board of Directors, the President or Executive Director of the Lago Vista Chamber of Commerce may attend all open meetings of the Board of Directors or Committees. This representative shall not have the power to vote in the meetings. Their attendance shall be for the purpose of providing the Chamber perspective on the business of the Corporation and ensuring that information about the meetings is accurately communicated to the Chamber.

The Board may also, in its discretion, provide by resolution for other ex officio persons to attend its meetings.

Section VII **FINANCIAL ADMINISTRATION**

The Corporation shall contract with the City for Financial and accounting services. The Corporation's finance and accounting records shall be maintained according to the requirements of state law.

7.01. Fiscal Year

The fiscal year of the Corporation shall begin on October 1 and end on September 30 of the following 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 Lago Vista. In submitting the budget to the City Council, the Board of Directors shall submit the budget on forms prescribed by the City and in accordance with the annual budget preparation schedule as set forth by the City. The budget shall be submitted to the Mayor for inclusion 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 Lago Vista.

7.02. Contracts

As provided above, the President and Secretary shall execute any contracts or other instruments which the Board has approved and authorized to be executed, provided 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. 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.

7.03. Checks and Drafts

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 one of the following individuals: the President, Vice President or the Secretary of the Economic Development Corporation and by an appropriate City official as required by the financial rules of

the City Deposits

All funds of the Corporation shall be deposited by the City in accordance with their depository procedures 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.

7.04. Gifts

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

7.05. 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.

7.06. Investments

Temporary and idle funds which are not needed for immediate obligations of the Corporation may be invested in any legal manner provided in the Public Funds Investment Act.

7.07. 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 City Council after review and comments 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 Undesignated 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, and any information which may be designated as public information by law shall be open to public inspection at any reasonable time. The Texas Public Information 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 "Corporate Seal of Lago Vista Economic Development"; the Board may thereafter use the Corporate Seal and may later alter the seal as necessary without changing the corporate name; but these By-Laws shall not be construed to require the use of the Corporate Seal.

Section X PARLIAMENTARY AUTHORITY

10.01. Amendments to By-Laws

These By-Laws may be altered, amended, or repealed or new Bylaws adopted by the affirmative vote of 5 Board members, at any regular meeting, or any special meeting of the Board, provided that notice of such meeting to discuss proposed amendments shall be given to the members of the Board and the general public not less than 7 days prior to such meeting and that such notice shall contain a copy of the proposed amendment or amendments. Said amendments shall be effective only upon approval by the Lago Vista City Council.

Notwithstanding the foregoing, no amendment shall become effective unless and until the City Council approves the amendment.

Section XI **DISSOLUTION**

11.01. Dissolution

The Corporation may be dissolved in accordance with applicable State law.

Section XII **INDEMNITY**

12.01. Indemnity

The Board of Directors shall authorize the Corporation to provide a Directors' and Officers'/Public Liability Insurance Policy 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 under the guidelines of said policy; provided, however, that such Officer or Director shall not receive such indemnification if 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 with the assistance of the Lago Vista City Attorney. 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.

Nothing in this section creates personal liability on the part of Officers and Directors to any extent not otherwise provided by statute or case law.

The Corporation shall indemnify and hold harmless and defend the City of Lago Vista, 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 attorneys' fees and other reasonable costs 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.

The 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 the City of Lago Vista 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 Lago Vista and Corporation will provide the other prompt and timely notice of any event covered which in any way, direct or indirectly, contingently or otherwise, affects or might affect Corporation or City of Lago Vista, and City of Lago Vista 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 the City of Lago Vista 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.