



RESOLUTION NO. 2023-0003

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HOWE, TEXAS APPROVING
AMENDMENTS TO THE HOWE COMMUNITY FACILITIES DEVELOPMENT CORPORATION
ARTICLES OF INCORPORATION AND BYLAWS.**

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF HOWE:

Section 1. The City Council of the City of Howe hereby approves the amendments to the Howe Community Facilities Development Corporation Articles of Incorporation as submitted by the Board of Directors of the Howe Community Facilities Development Corporation.

Section 2. A copy of such Amended Articles of Incorporation attached hereto as Exhibit "A" and made a part hereof for all purposes.

Section 3. The City Council of the City of Howe hereby approves the amendments to the Howe Community Facilities Development Corporation Bylaws as submitted by the Board of Directors of the Howe Community Facilities Development Corporation.

Section 4. A copy of such Amended Bylaws attached hereto as Exhibit "B" and made a part hereof for all purposes.

PASSED, APPROVED, AND RESOLVED this 19 day of September, 2023.

ATTEST:

APPROVED:


Regina Harris, CITY SECRETARY


Karla McDonald, MAYOR



ARTICLES OF INCORPORATION
OF
HOWE COMMUNITY FACILITIES DEVELOPMENT CORPORATION
A Texas Non-Profit Corporation

I, the undersigned natural person being at least 18 years of age and a resident of the City of Howe, Texas, a Texas municipal corporation (the "City"), acting as incorporator of a public instrumentality and non-profit industrial development corporation (the. "Corporation") under the provisions of Section 4B of the Development Corporation Act of

1979, Tex. Rev. Civ. Stat Ann. Art 5190.6, as amended (the "Development Corporation Act"); with. the approval of the governing body of the City of Howe, Texas (the "City"), as evidenced by the Resolution attached hereto and made a part of hereof for all purposes, do hereby adopt the following Articles for the Incorporation:

ARTICLE I.

NAME

The name of the Corporation is the Howe Community Facilities Development Corporation. The Howe Community Facilities Development Corporation may enact an assumed name.

ARTICLE II.

NON-PROFIT CORPORATION

The Corporation is a non-profit corporation specifically governed by Section 4B of the Development Corporation Act, as now existing or may be amended.

ARTICLE III.

DURATION

The period of the duration of the Corporation is perpetual.

ARTICLE IV.

PURPOSE

The Corporation is organized exclusively for the public purposes authorized in the Development Corporation Act and may issue bonds on behalf of the City. Specifically, the Corporation is authorized to study and fund all permissible projects prescribed in the Development Corporation Act and for the promotion and development of new or expanded business enterprises, park, and any other purpose. authorized by the. Development Corporation Act, including, but not limited to, land, buildings, equipment, facilities, and improvements required or suited for professional

and amateur sports (including children's sports), athletic, entertainment, tourist, convention and public park purposes and events, including stadiums, ball parks, auditoriums, amphitheaters, concert halls, learning centers, parks and park facilities, open space improvements, including land, buildings, and equipment related thereto, municipal buildings, museums, exhibition facilities, and related store, restaurant, concession, and automobile parking facilities, related area transportation facilities, and related roads, streets, and water and sewer facilities, and other related improvements that enhance any of those items; or promote or develop new or expanded business enterprises and any projects related thereto, including a project to provide public safety facilities, streets and roads, drainage and related improvements, demolition of existing structures, general municipally owned improvements; facilities to furnish water to the general public, sewage and solid waste disposal facilities, as well as any improvements or facilities that are related to any of those projects and any other project that the board in its discretion determines promotes or develops new or expanded business enterprises, and maintenance and operating costs associated with all of the above projects.

The Corporation shall have and exercise all of the rights, powers, privileges, authority, and functions given by the general laws of Texas to non-profit corporations by the Texas Nonprofit Corporation Act, Tex. Rev. Civ. Stat. Ann. Art 1396-1.01 et seq., as amended, and the additional powers as provided in Sections 4B and 23 of the Development Corporation Act, including, without limitation, the issuance of bonds. The Corporation shall be subject to any limitations imposed by such Section 4B. If any conflict should arise between these statutes regarding the Corporation's powers, the Development Corporation Act shall control and govern the Corporation. To the extent of a conflict between Section 4B of the Development Corporation Act and Section 23 or any other section of the Development Corporation Act, the provisions of such Section 4B shall prevail.

ARTICLE V.

INITIAL REGISTERED OFFICE AND AGENT

The street address of the initial registered office of the Corporation is Howe City Hall, 116 E. Haning, Howe; TX 75459, and the name of the initial registered agent at such address is Dana Nixon.

ARTICLE VI.

DIRECTORS

The affairs of the Corporation shall be managed by a board of directors which shall be composed of seven (7) persons appointed by the City Council. The names and street addresses of the persons who are to serve as the initial Directors of the respective classes and the lengths of their initial terms as Directors are as follows:

NAME	ADDRESS	LENGTH OF TERM	CLASS OF DIRECTOR
1. Ray Bledsoe,	815 S. Maple St., Howe TX 75459,	2,	City Rep.
2. Carrie Waller,	609 Farmington Road, Howe, TX 75459,	2,	City Rep.

- | | | |
|--|----|----------------|
| 3. Jennie L. Gailey, 315 N. Bean St., Howe, TX 75429, | 2, | Citizen member |
| 4. Laurie Haynes, 109 N. Carter St., Howe, TX 75459, | 1, | Citizen member |
| 5. Tim Pike, 110 W. Davis St., Howe, TX 75459 | 1, | Citizen member |
| 6. David Eenigenberg, 1529 N. Smith Rd, Howe, TX 75459 | 1, | Citizen member |
| 7. Wayne Swineford, 305 W. Pecan St., Howe, TX 75459 | 2, | Citizen member |

Of the initial Directors, four (4) shall serve terms of two (2) years and three (3) shall serve terms of one (1) year as designated by the City Council of the City (the "Council"). Thereafter, each successor member of the Board shall be appointed and serve for two (2) years or until his or her successor is appointed as hereinafter provided.

The Directors shall meet the following qualifications:

- (a) No more than four (4) Directors can be employees, officers, or members of the City Council of the City of Howe.
- (b) At least three (3) Directors must be appointed at-large.
- (c) All Directors must be residents within a one-mile radius of the territorial boundaries of Howe, Texas the Howe ISD, having resided in the City Howe Independent School District territorial boundary for at least (1) year prior to appointment.
- (d) No Director shall serve more than three (3) consecutive terms.

Any vacancy occurring shall be filled by appointment by the City Council.

Each Director, including the initial Directors, shall be eligible for reappointment. Directors are removable by the City Council for cause or at will. The Directors shall serve without compensation except that they shall be reimbursed for the actual expenses incurred in the performance of their duties as Directors.

ARTICLE VII.

MEMBERSHIP/STOCK

The Corporation has no members and is a non-stock corporation, governed as set forth in Article IV herein.

ARTICLE VIII.

AMENDMENTS

These Articles of Incorporation may at any time and from time to time be amended as provided in the Development Corporation Act so as to make any changes therein and add any provisions thereto which are lawful under the Development Corporation Act as then in effect. Any such amendment shall be affected in either of the following manner: (i) the members of the Board of Directors of the Corporation shall file with the City Council a written application specifying the amendments proposed and requesting approval of the same, following which the City Council shall consider such application and, if approved shall by resolution duly find and determine that the proposed amendments be made and shall approve the form of the proposed amendments; after which the Board of Directors of the Corporation may amend the Articles of Incorporation

by adopting such amendments at a meeting of the Board of Directors and delivering articles of amendment to the Secretary of State, or (ii) the City Council may, at its sole discretion, and at any time, amend these Articles of Incorporation, and alter or change the structure, organization, programs, or activities of the Corporation, or terminate or dissolve the Corporation (subject to the provisions of the Development Corporation Act, and subject to any limitation provided by the Constitution and laws of the State of Texas and the United States of America regarding the impairment of contracts entered into by the corporation) by written resolution adopting the amendments to the Articles of Incorporation of the Corporation or articles of dissolution and delivering articles of amendment or dissolution to the Secretary of State, as provided in the Development Corporation Act or upon election as provided in the Act. Amended or Restated Articles of Incorporation may be filed with the Secretary of State as provided in the Development Corporation Act.

ARTICLE IX.

INCORPORATOR

The name and street address of the Incorporator is Dana Nixon, 1534 Timbercreek, Howe, TX 75459.

ARTICLE X.

AUTHORIZATION

The City has specifically authorized the Corporation by Resolution to act on its behalf to further the public purposes stated in said Resolution and these Articles of Incorporation, and the City has by said Resolution approved these Articles of Incorporation.

ARTICLE XI.

DIVIDENDS

No dividends shall ever be paid by the Corporation and no part of its net earnings remaining after payment of its expenses shall be distributed to or inure to the benefit of its Directors or officers or any firm, corporation, or association. No part of the Corporation's activities shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and it shall not participate or intervene in (including the publishing or distributing of statements) any political campaign on behalf of or in opposition to any candidate for public office.

ARTICLE XII.

BYLAWS

The Corporation's internal affairs shall be regulated by a set of Bylaws, not inconsistent with the laws of this State or with these Articles of Incorporation, which Bylaws have been approved by the City Council.

ARTICLE XIII

DISSOLUTION

If the Corporation ever should be dissolved when it has, or is entitled to, any interest in any funds or property of any kind, real, personal, or mixed, such funds or property or rights thereto shall not be transferred to private ownership but shall be transferred and delivered to the City after satisfaction or provision for satisfaction of debts and claims.

INCORPORATOR:

Dana Nixon

BY LAWS

HOWE COMMUNITY FACILITIES DEVELOPMENT CORPORATION

ARTICLE I

PURPOSE AND POWERS

Section 1. Purpose. The Corporation is incorporated for the purposes set forth in the Articles of Incorporation, the same to be accomplished on behalf of the City of Howe, Texas, a Texas municipal corporation (the “City”) as its duly constituted authority and instrumentality in accordance with the Development Corporation Act of 1979, Tex. Rev. Civ. Stat. Ann. Art. 5190.6, as amended, (the “Act”), and other applicable laws.

Section 2. Powers. In the fulfillment of its corporate purpose, the Corporation shall be governed by Section 4B of the Act, and shall have all the powers set forth and conferred in its Articles of Incorporation, in the Act, and in other applicable law, subject to the limitations prescribed therein and herein and to the provisions thereof and hereof.

ARTICLE II

BOARD OF DIRECTORS

Section 1. Powers, Number and Term of Office.

- (a) The property and affairs of the Corporation shall be managed and controlled by a Board of Directors (the “Board”) and, subject to the restrictions imposed by law, by the Articles of Incorporation, and by these Bylaws, the Board shall exercise all of the powers of the Corporation;
- (b) The Board shall consist of seven (7) directors, each of whom shall be appointed by the City Council (the “City Council”) of the City;
- (c) As stated in the Articles of Incorporation, three directors shall be persons who are not employees, officers, or members of the governing body of the City;
- (d) Each director must reside within one mile of the territorial boundaries of City Howe Independent School District for at least one (1) year prior to appointment and can serve no more than three (3) consecutive terms;
- (e) The directors constituting the first Board shall be those directors named in the Articles of Incorporation. The respective initial terms of the Board are set forth in the Articles of Incorporation. Thereafter, each successor member of the Board shall be appointed and serve for two (2) years or until his or her successor is appointed as hereinafter provided.
- (f) Any director may be removed from office by the City Council at any time without cause.

Section 2. Meetings of Directors. The directors may hold their regular meetings at such place or places within the City limits as the Board may from time to time determine; provided, however, in the absence of any such determination by the Board, the meetings shall be held at the principal office of the Corporation as specified in Article V of these Bylaws. Special Meetings of the Board shall be held whenever called by the president, by the secretary, by a majority of the directors, by the Mayor of the City, or by a majority of the City Council. Any and all Special

Meetings shall likewise be held within the City limits. The person or persons calling a Special meeting shall notify the secretary of the Corporation of the information required to be included in the notice of the meeting. In addition to the posting of a meeting notice in accordance with these Bylaws, a copy of each such meeting notice shall be delivered to each director not less than seventy-two (72) hours before the time of the meeting. ~~A meeting notice shall be deemed delivered to any director when deposited in the United States mail addressed to the director at his or her address as it appears on the records of the Corporation.~~ Written or printed notice of each regular meeting of the Board shall be delivered to each Director by mail, fax, or other means not less than three (3) days before the meeting. Such additional notice may be waived in writing by a director at any time either before or after the time of the meeting and such additional notice shall be deemed waived by attendance.

Section 3. Notice and Open Meetings Act. All meetings and deliberations of the Board shall be called, convened, held and conducted, and notice of each meeting shall be given to the public in accordance with the provisions of the Texas Government Code, Chapter 551 (The Texas Open Meetings Act) as amended.

Section 4. Quorum and Voting. A majority of the entire membership of the Board shall constitute a quorum for the conduct of the official business of the Corporation. The act of a majority of the directors present at a meeting at which a quorum is in attendance shall constitute the act of the Board and of the Corporation unless the act of greater number is required by law.

Section 5. Conduct of Business.

- (a) At the meetings of the Board, matters pertaining to the business of the Corporation shall be considered in accordance with the rules of procedure as from time to time prescribed by the Board.
- (b) At all meetings of the Board, the president shall preside, and in the absence of the president, the vice president shall exercise the powers of the president.
- (c) The secretary of the Corporation shall act as secretary of all meetings of the Board, but in the absence of the secretary, the presiding officer may appoint any person by act as secretary of the meeting.

Section 6. Committees of the Board. The Board may designate two or more directors to constitute an official committee of the Board to exercise such authority of the actions of the Board as may be specified in the resolution. It is provided, however, that all final, official actions of the Corporation may be exercised only by the Board. Each committee so designated shall keep regular minutes of the transactions of its meetings and shall cause such minutes to be recorded in books kept for that purpose in the principal office of the Corporation.

Section 7. Compensation of Directors. Directors shall not receive any salary or compensation for their services as directors. However, they shall be reimbursed for their actual expenses incurred in the performance of their duties hereunder.

Section 8. Ex-Officio Members. ~~The Chief Operating Officer and/or City Administrator,~~ or his designee, may attend all meetings of the Board of Directors or Committees, including

executive sessions. The Chief Operating Officer and/or City Administrator shall not have the power to vote in the meetings attended; however, he shall have the right to participate in any discussion.

ARTICLE III

OFFICERS

Section 1. Titles and Term of Office

- (a) The officers of the Corporation shall be a president, a vice president, a secretary, and a treasurer, and such other officers as the Board may from time to time elect or appoint. One person may hold more than one office, except that the president shall not hold the office of secretary. Terms of office shall be one (1) year with the right of an officer to be re-elected.
- (b) All officers shall be subject to removal of office at any time by a vote of majority of the entire Board.
- (c) A vacancy in the office of any officer shall be filled by a vote of a majority of the directors.

Section 2. Powers and Duties of the President. The president shall be the chief executive officer of the Corporation, and subject to the paramount authority of the Board, the president shall be in general charge of the properties and affairs of the Corporation, shall preside at all meetings contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other legal instruments in the name of the Corporation.

Section 3. Vice President. The vice president shall have such powers and duties as may be prescribed by the Board and shall exercise the powers of the president during that officer's absence or inability to act. Any action taken by the vice president is the performance of the duties of the president shall be conclusive evidence of the absence or inability to act of the president at the time such action was taken.

Section 4. Treasurer. The treasurer shall have the responsibility to see to the handling, custody, and security of all funds and securities of the Corporation in accordance with these Bylaws and statutes governing corporations formed under the Act. Upon the approval of the Board, two (2) signatures must be required for collection or issuance, checks, notes and other obligations in or drawn upon such bank or banks or depositories as shall be designated by the Board consistent with these Bylaws for the Corporation. The treasurer may endorse and sign, along with the Chief Operating Officer, and/or President, City Administrator, City Secretary, on behalf of the Corporation. The treasurer shall see to the entry in the books of the Corporation full and accurate accounts of all monies received and paid out on account of the Corporation. The treasurer shall, at the expense of the Corporation, give a bond for the faithful discharge of his or her duties in such form and amount as the Board or City Council may require.

Section 5. Secretary. The secretary shall keep the minutes of all meetings of the Board in books provided for that purpose, shall give and serve all notices, may sign with the president upon the approval of the Board in the name of the Corporation, and/or attest to the signature

thereto, all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments of the Corporation, shall have charge of the corporate books, records, documents, and instruments, except the papers as the Board may direct, all of which shall at all reasonable times be open to the public inspection upon application at the office of the Corporation during business hours, and shall in general perform all duties incident to the office of secretary subject to the control of the Board.

Section 6. Eligible Individuals. The president, vice president and secretary shall be named from among the members of the Board. The treasurer and any assistant secretaries may, at the option of the Board, be persons other than members of the Board, including but limited to employees of the City.

Section 7. General Manager. The President Chief Operating Officer, or his designee, shall serve as the General Manager of the Corporation to be The Chief Administrative Officer to be in general charge of the properties and affairs of the Corporation. The General Manager shall administer all work orders, requisitions for payment, purchase orders, contract administration/oversight, contract management, and other instruments or activities as prescribed by the Board in the name of the Corporation. Should the position of the Chief Operating Officer not be held, the president may request the City Administrator for the City to hold these responsibilities without compensation from the Corporation.

Section 8. Compensation. Officers who are members of the Board shall not receive any salary or compensation for their services, except that they shall be reimbursed for their actual expenses incurred in the performance of their duties hereunder. Other officers may be compensated as directed by the Board.

ARTICLE IV

FUNCTIONAL CORPORATE DUTIES AND REQUIREMENTS

Section 1. Duties of the Board

- (a) No later than the 30th day of September, 1998 annually, the Board shall develop a combined Community Development Capital Improvement Program ("CDCIP"), including maintenance and operation costs thereof, for the City which shall include and set forth both short- and long-term goals. The CDCIP developed by the Board shall be one that incorporates the Capital Improvement Plans of all of the City's general community facilities within the parameters specified in Article I, Section 2 of these Bylaws, and within the financial constraints of revenues available to the Corporation. The CDCIP shall be approved by the City Council. The Board shall conduct a public hearing concerning both the adoption and required annual updates to the CDCIP. A legal notice shall be advertised as determined by the Board, at least three (3) days, prior to the scheduled public hearing.
- (b) The Board shall review and update the CDCIP once a year to ensure the plan is up to date with current community needs and is capable of meeting the City's community development needs. The Board shall expend, in accordance with the State law and subject

to City Council approval, the funds received by it for community development where such expenditures will have benefit to the citizens of the City. Before expending funds to undertake a project, the Corporation shall hold at least one public hearing on the proposed project. The Board shall make an annual report no later than the regular November City Council meeting of each year to the City Council which shall include, but no be limited to, the following:

- (i) A review of the accomplishments of the Corporation in the area of community development during the past year; and
- (ii) The planned activities of the Corporation for the budget year addressed in the annual report, together with any proposed change in the activity as it may relate to community development.

Section 2. Annual Corporate Budget. At least sixty (60) days prior to the commencement of each fiscal year of the Corporation, the Board shall adopt a proposed budget of expected revenues and proposed expenditures of the next ensuing fiscal year. The budget shall contain such classifications and shall be in such form as may be prescribed from time to time by the City Administrator for inclusion with the annual budget submitted to the City Council. The budget shall not be effective until the same has been approved by the City Council.

Section 3. Books, Records, Audits.

- (a) The Corporation shall keep and properly maintain, in accordance with generally accepted accounting principles, complete books, records, accounts, and financial statements pertaining to its corporate funds, activities, and affairs.
- (b) At the discretion of the City Council, the books, records, accounts, and financial statements of the Corporation may be maintained for the Corporation by the City. In such event, the Corporation shall pay to the City reasonable compensation for such services.
- (c) The Corporation, or the City if the option described in subsection (b) above is selected, shall cause the Corporation's books, records, accounts, and financial statements to be audited at least once each fiscal year by an outside, independent, auditing and accounting firm selected by the City. Such audit shall be at the expense of the Corporation.

Section 4. Deposit and Investment of Corporate Funds.

- (a) All proceeds from the issuance of bonds, notes, or other debt instruments ("Obligations") issued by the Corporation shall be deposited and invested as provided in the resolution, order, indenture, or other documents authorizing or relating to the issuance.
- (b) All other monies of the Corporation shall be deposited, secured, and/or invested in the manner provided for the deposit, security, and/or investment of the public funds of the City. The Board shall designate the accounts and depositories to be created and designated for such purposes, and the methods of withdrawal of funds therefrom for use by and for the purposes of the Corporation upon the signature of two (2) members consisting of treasurer, and/or Chief Operating Officer, President, City Administrator City Secretary. The accounts, reconciliation, and investment of such funds and accounts shall

be performed by the Finance Department of the City. The Corporation shall pay reasonable compensation for such services by the City.

Section 5. Expenditures of Corporate Money. The monies of the Corporation, including, but not limited to, sales and use taxes collected pursuant to Section 4B of the Act, monies derived from the repayment of loans, rents received from the lease or use of property, proceeds from the investment of funds of the Corporation proceeds from the sale of property, and proceeds derived from the sale of Obligations, may be expended by the Corporation for any purposes authorized by the Act, subject to the following limitations:

- (a) Expenditures from the proceeds of Obligations shall be identified and described in the orders, resolutions, indentures, or other agreements submitted to and approved by the City Council prior to the sale and delivery of the Obligations to the purchasers thereof required by Section 6 of this Article;
- (b) Expenditures that may be made from a fund created with the proceeds of Obligations, and expenditures of monies derived from sources other than the proceeds of Obligations may be used for the purposes of financing or otherwise providing one or more "Projects," as defined in the Act. The specific expenditures shall be described in a resolution or order of the Board and shall be made only after the approval thereof by the City Council;
- (c) All other proposed expenditures shall be made in accordance with and shall be set forth in the annual budget required by Section 2 of this Article. However, any proposed expenditure for a specific project in an amount greater than \$50,000.00 in addition to the budget approval process, shall be approved again by the City Council prior to any expenditure;
- (d) Public hearings shall be held prior to approving expenditures for specific projects in accordance with the provisions of the Act.

Section 6. Issuance of Obligations. No Obligations, including refunding Obligations, shall be sold and delivered by the Corporation unless the City Council shall approve such Obligations by action taken no more than sixty (60) days prior to the date of sale of the Obligations.

Section 7. Potential Conflicts of Interest. If a director has a substantial interest in a business entity or real property which is the subject of deliberation by the Board, the director shall file an affidavit with the secretary of the Corporation stating the nature and extent of the interest. Such affidavit shall be filed prior to any vote or decision upon the matter by the Board, and the interested director shall abstain from any vote, decision or discussion upon the matter.

Section 8. Contracts for Service. The Corporation may 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.

ARTICLE V

MISCELLANEOUS PROVISIONS

Section 1. Principal Office.

- (a) The principal office and the registered office of the Corporation shall be the registered office of the Corporation specified in the Articles of Incorporation.
- (b) The Corporation shall have and shall continually designate a registered agent at its registered office, as required by the Act.

Section 2. Fiscal Year. The fiscal year of the Corporation shall be the same as the fiscal year of the City.

Section 3. Seal. The seal of the Corporation shall be as determined by the Board.

Section 4. Resignations. Any director or officer may resign at any time. Such resignation shall be made in writing and shall take effect at the time of specified therein, or, if no time be specified, at the time of its receipt by the president or the secretary. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

Section 5. Approval or Advice and Consent of the City Council. To the extent that the Bylaws refer to any approval by the City or refer to advice and consent by the City Council, such advice and consent shall be evidence by a certified copy of a resolution, order, or motion duly adopted by the City Council.

Section 6. Services of City Staff and Officers. At the request of the Chief Operating Officer and subject to approval from the City Administrator, the Corporation shall have the right to utilize the services of the City Attorney, the City Secretary, and the Finance Department of the City, provided that the performance of such services does not materially interfere with the other duties of such personnel of the City.

Section 7. Indemnification of Directors Officers and Employees.

- (a) As provided in the Act and in the Articles of Incorporation, the Corporation is, for the purposes of the Texas Tort Claims Act (Subchapter A, Chapter 101, Texas Civil Practices and Remedies Code), a governmental unit and its actions are governmental functions.
- (b) The Corporation shall indemnify each and every member of the Board, its officers, its employees, its attorneys, each member of the City Council and each employee of the City, to the fullest extent permitted by law, against any and all liability or expense, including attorneys' fees incurred by any of such persons by reasons of any actions or omissions that may arise out of the functions and activities of the Corporation.

Section 8. Legal Construction. These Bylaws shall be construed in accordance with the laws of the State of Texas. All references in the Bylaws to statutes, regulations, or other sources of legal authority shall refer to the authorities cited, or their successors, as they may be amended from time to time. It is expressly provided that the provisions of the Act applicable to corporations governed under Sec. 4B of the Act are incorporated within these Bylaws by reference. In the event of any conflict between the applicable provisions of such Act and these Bylaws, then the applicable provisions of the Act shall control.

Section 9. Severability. If any provision or section of these Bylaws is held to be invalid, illegal or unenforceable in any respect, the invalidity, illegality or unenforceability shall not affect any other provision, and the Bylaws shall be construed as if the invalid, illegal, or unenforceable provision had not been included in the Bylaws.

Section 10. Headings. The headings used in these Bylaws are used for convenience only and shall not be considered in construing the terms of the Bylaws.

ARTICLE VI

EFFECTIVE DATE, AMENDMENTS

Section 1. Effective Date. These Bylaws shall become effective upon the occurrence of all of the following events:

- (a) The approval of these Bylaws to the City Council; and
- (b) The approval and adoption of these Bylaws by the Board.

Section 2. Amendments to the Articles of Incorporation and Bylaws. The Articles of Incorporation of the Corporation and these Bylaws may be amended only in the manner provided in the Articles of Incorporation and the Act.

APPROVED AND ADOPTED by the City Council of the City of Howe, Texas by passage of Resolution No. 2023-0003 on the 19 day of September, 2023



MAYOR

ATTEST:

CITY SECRETARY/CITY ADMINISTRATOR

ADOPTED by the Board of Directors on the 19 day of September, 2023

August 1, 2023