

RESOLUTION NO. PFC-

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE DENTON CITY PUBLIC FACILITY CORPORATION, APPROVING THE BYLAWS OF THE CORPORATION PURSUANT TO CHAPTER 303 OF THE TEXAS LOCAL GOVERNMENT CODE AND RESOLUTION NO. 24-992 OF THE CITY OF DENTON; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Denton, Texas (the "City") has created the Denton City Public Facility Corporation ("DCPFC") as a public facility corporation pursuant to Chapter 303 of the Texas Local Government Code, as amended ("Act"); and

WHEREAS, the purpose of the DCPFC is to provide for the financing, refinancing, acquisition, and construction of public facilities as defined in Section 303.003 of the Act, including, but not limited to, multifamily housing; and

WHEREAS, the Secretary of State of the State of Texas has certified the formation of the DCPFC, a Texas Public Facility Corporation and instrumentality of The City of Denton; and

WHEREAS, the initial board of directors of the DCPFC shall approve the initial Bylaws, attached hereto as Exhibit "A"; NOW, THEREFORE,

THE DENTON CITY PUBLIC FACILITY CORPORATION BOARD OF DIRECTORS HEREBY RESOLVES:

SECTION 1. That the Directors of the Corporation approve the Bylaws of Denton Public Facility Corporation, a Texas Public Facility Corporation, and instrumentality of The City of Denton, attached hereto as Exhibit "A".

SECTION 2. This Resolution shall be effective upon its approval and passage by Directors of the Corporation. The Directors will signify their consent and adoption of the Bylaws, consisting of thirteen (13) pages, as the official Bylaws of this Corporation by signing the Adoption of Bylaws provision in Exhibit "A".

The motion to approve this Resolution was made by _____ and seconded by _____, the Resolution was passed and approved by the following vote [___ - ___]:

Acting Board Chair

EXHIBIT A

BYLAWS OF
DENTON CITY PUBLIC FACILITY CORPORATION

a Texas Public Facility Corporation and Instrumentality of The City of Denton

ARTICLE I
PURPOSE AND POWERS

Purpose. Denton City Public Facility Corporation, a Texas public facility corporation and public nonprofit corporation ("Corporation") is incorporated for the purposes set forth in its Articles of Incorporation, in accordance with the Public Facility Corporation Act, as amended, Chapter 303, Texas Local Government code ("Act"), and other applicable laws.

Powers. In the fulfillment of its corporate purpose, the Corporation shall be governed by 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.

Nonprofit Corporation. The Corporation shall be a public, nonprofit corporation and no part of its set earnings remaining after payment of its bonds and expenses shall inure to the benefit of any person other than the City of Denton (the "City").

ARTICLE II
BOARD OF DIRECTORS

Powers. The property and affairs of the Corporation shall be managed by a board of directors (the "Board") which shall be appointed by the City Council of the City of Denton ("Governing Body"). The powers of the Board shall be subject to the limitations imposed by law and described in these Bylaws and the Articles of Incorporation.

Initial Board of Directors. The directors constituting the initial Board shall be those directors named in the Articles of Incorporation.

Number of Directors. The number of directors may be changed by amendment to these Bylaws, but such number must be at least equivalent to the total number of seated City Council Member.

Term. Each director shall hold office for the term for which the director is appointed, or for one year if no term is stated in the resolution appointing the director, unless sooner removed or unless the director sooner resigns. Each director, including the initial directors, shall be eligible for reappointment. If a director is a member of the Governing Body, that director's term shall terminate upon their removal from the Governing Body unless earlier terminated pursuant to these Bylaws.

Removal of a Director. Any director may be removed from office at any time, with or without cause, by resolution passed by the Governing Body. A director who is a member of the Governing Body may only be removed by resolution passed by a supermajority of the Governing Body.

Vacancies. Vacancies on the Board may be caused by the death, resignation, or removal of any director, when the size of the Board is increased pursuant to these Bylaws, or upon expiration of the term of the director if no new director has been appointed. Any vacancy on the Board shall be filled by appointment by written resolution of the Governing Body. A director appointed to fill a vacancy arising other than as a result of the completion of the term of a director shall be appointed for the unexpired term of his or her predecessor in office.

Committees of the Board. The Board may designate two (2) or more directors to constitute an official committee of the Board but any committee shall be limited in size so as not to constitute a quorum of the directors. Any such committee shall act in the manner provided in such resolution to exercise such authority, as approved by resolution of the Board. It is provided, however, that only the Board may exercise all final, official actions of the Corporation. 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 and any such meetings must be conducted in accordance with the provisions of the Texas Open Meetings Act, as amended, Chapter 551, Texas Government Code, if applicable.

Compensation of Directors. Directors of the Board 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 official duties as directors of the Corporation which are authorized by a majority vote of the Board present at a properly-called meeting of the Board at which a quorum is present.

Additional Powers. In addition to the powers and authorities by these Bylaws expressly conferred upon them, the Board may exercise all such powers of the Corporation and do all lawful acts and things as are not by statute, other law, or by these Bylaws prohibited. Without prejudice to such general powers and other powers conferred by statute, other law, and by these Bylaws, and except as specifically prohibited by these Bylaws, it is hereby expressly declared that the Board shall have the powers necessary for the Corporation to exercise the powers set forth in Section 303.041 of the Act, as amended.

Qualifications. Directors of the Board shall be of the age of majority in the State of Texas. A person is only eligible to serve as a director of the Board if he or she is a member of the Governing Body, an employee or officer of the City, or a permanent resident of the City of Denton.

Additional Board and Meeting Requirements. Except where in conflict with the provisions of these Bylaws or the Corporation's Articles of Incorporation, the Board and individual members of the Board shall be subject to the provisions of the City of Denton Code of Ordinances, Article III - Boards, Commissions, and Committees.

ARTICLE III
OFFICERS, GENERAL MANAGER, AND ADMINISTRATORS

Titles of Officers. 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. All officers of the Corporation, except the secretary and treasurer, shall be members of the Board.

Terms of Office. Officers shall serve for one-year terms. Upon the expiration of the terms, each officer shall have the right to be re-appointed or re-elected.

Removal of an Officer. All officers shall be subject to removal from office, with or without cause, at any time by a vote of a majority of the Board.

Vacancies. A vacancy in an officer position shall be filled by a vote of a majority of the Board.

President. The president shall be the chief operating executive officer of the Corporation, and subject to the direction of the City and the Board, the president shall be in general charge of the properties and affairs of the Corporation, and execute all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, leases, notes and other instruments in the name of the Corporation; provided, however, that the president may not execute any instrument on behalf of the Corporation without the prior written approval of the Board. The president shall preside over the meetings of the Corporation.

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 president's absence or inability to act. Any action taken by the vice president in 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.

Treasurer. The treasurer shall be the chief fiscal officer of the Corporation and 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. When necessary or proper, the treasurer may endorse and sign, on behalf of the Corporation, for collection or issuance, checks, notes, and other obligations in or drawn upon such bank, banks or depositories as shall be designated by the Board consistent with these Bylaws. The treasurer shall see to the entry in the books of the Corporation full and accurate accounts of all money received and paid out on account of the Corporation. The treasurer shall, at the expense of the Corporation, give such bond for the faithful discharge of his/her duties in such form and amount as the Board may require.

- a. **City's Chief Financial Officer.** The Board shall appoint the Chief Financial Officer ("CFO") of the City or his or her designee to serve as an Assistant Treasurer, who shall have the same level of access to the books and records of the Corporation as the Treasurer. The Assistant Treasurer may perform any duty required of or power granted to the Treasurer in these Bylaws and/or in any resolution or order approved by the Board.

Secretary. The secretary shall keep the minutes of all meetings of the Board in books provided for that purpose; shall cause the giving and serving of all notices; may sign with the president in the name of the Corporation, and/or attest 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 books of account and financial records and securities, and such other books and papers as the Board may direct, all of which shall at all reasonable times be open to 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. The Board may appoint one or more persons to serve as an Assistant Secretary, which person may, but need not, be a director. The Assistant Secretary may perform any duty required of or granted to the Secretary in these Bylaws and/or in any resolution or order approved by the Board, other than the execution of documents.

General Manager. The general manager shall exercise such powers and perform such duties as are set forth herein and as determined from time to time by the Board. The general manager of the Corporation shall be the City Manager of the City or their designee. The City Manager may provide other staff support as deemed necessary by the City Manager. The powers and duties of the general manager shall include the following:

- a. In cooperation with the Corporation's legal counsel, to ensure that all actions of the Board are in compliance with all applicable laws, ordinances, orders, and resolutions that are in effect;
- b. Except as otherwise herein provided, to hire and remove all subordinates, employees, agents, or contractors of the Corporation;
- c. To manage the day to day operations of the Corporation, subject to the Act, the Articles of Incorporation, these Bylaws, and any policies and procedures adopted by the Board;
- d. To review all contracts of the Corporation to ensure each contract is in accordance with the directives of the Board and execute such contracts when directed by the Board;
- e. To attend and participate in all meetings and deliberations of the Board to the extent allowed by TOMA, but shall not possess the power to vote;
- f. To recommend to the Board for adoption such measures as he or she may deem necessary or expedient to further the goals and priorities of the Governing Body;
- g. In collaboration with the treasurer, keep the Board at all times fully advised of the financial condition of the Corporation including providing monthly financial statements or reports;
- h. To spend Corporation funds up to \$25,000.00 without prior approval from the Board when the general manager deems it necessary to pay a refundable option fee

or earnest money in connection with any contract for the sale, purchase, or lease of real property or real property interests, provided that the general manager shall first execute an enforceable written agreement which makes all funds paid fully refundable at the Board's discretion. Any such agreement or pledge of funds shall be approved by the Board prior to execution or acceptance of an agreement that would render the funds non-refundable; and

- i. To act as budget supervisor with the treasurer and as such prepare and submit to the Board the annual budget.
- j. The general manager shall execute all necessary documents in performance of the duties specified in this section.
- k. The general manager may appoint an assistant general manager who shall perform such duties of the general manager as may be assigned by the general manager and shall exercise the powers of the general manager during the general manager's absence or inability to act. The assistant general manager shall be removable, with or without cause, at any time by the general manager. The assistant general manager shall not be an officer of the Board.
- l. The general manager shall make recommendations to the Board regarding the engagement and retainment of contractors for professional services, as needed by Corporation.

Legal Advisor. The City Attorney's Office (or any outside attorney retained by the City Attorney's Office) may provide general counsel services for the Board, including advice regarding TOMA, parliamentary procedure, and matters relating to governance, as well as any other necessary legal matters.

Compensation. Officers who are members of the board of directors shall not receive any salary or compensation for their services, except that they shall be reimbursed for the actual expenses incurred in the performance of their official duties as officers. Officers who are employees of the City shall receive no compensation from the Corporation for the performance of their duties.

ARTICLE IV MEETINGS OF DIRECTORS

Meetings of Directors. The Board may hold their meetings at any place authorized by the Act as the Board may from time to time determine; provided that, in the absence of any such determination by the Board, the meetings shall be held at the principal office of the Corporation.

Regular Meetings. Regular Meetings of the Board shall be held at such times and places as shall be designated, from time to time, by the Board.

Special Meetings. Special Meetings of the Board shall be held whenever called: (i) by the President or Secretary of the Board; (ii) by simple majority of the directors; (iii) or upon advice of or request by the Governing Body.

Open Meetings Act. Meetings of the Board are subject to the Texas Open Meetings Act, Texas Government Code, Chapter 551 as amended ("TOMA"), and the Corporation is subject to the Texas Public Information Act, Texas Government Code, Chapter 552.

Public Notice of Meetings; Open Meetings. Written notice of the date, hour, place, and subject of each meeting of the Board shall be posted before each meeting at such times and in such places as prescribed by TOMA. Every meeting of the Board shall be open to the public, except as otherwise permitted by TOMA.

Quorum. The greater of a simple majority of every position on the Board, including any vacant positions, is a quorum, unless law requires the act of a greater number.

Conduct of Business.

- a. At the meetings of the Board, matters pertaining to the purposes of the Corporation shall be considered in such order as from time to time the Board may determine.
- b. At all meetings of the Board, the president shall preside. In the absence of the president, the vice president shall preside. In the absence of both the president and vice president, a member of the Board selected by the members present shall preside.
- 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 to act as secretary of the meeting. The treasurer, secretary and any assistant secretary may, at the option of the Board, be employees of the City, and each member of the Board with the exception of the president, vice president, treasurer, or secretary, may be appointed as an assistant secretary.

ARTICLE V
FUNCTIONAL CORPORATE DUTIES AND REQUIREMENTS

Books, Records, and 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 direction of the City, the accountants, staff and personnel of the City may maintain the books, records, accounts, and financial statements of the Corporation for the Corporation.
- c. The Corporation, or the City if the option of subsection (b) is selected, shall cause its books, records, accounts, and financial statements to be studied at least once each fiscal year by an outside, independent auditing and accounting firm selected by the City. Such an audit shall be at the expense of the Corporation and shall be delivered to the City within 150 days of the end of the fiscal year of the Corporation.
- d. All books and records of the Corporation may be inspected by any director or his or her agent or attorney for any purpose at any reasonable time and at all times the City shall have access to the books, records, and financial statements of the Corporation.
- e. The Corporation is a governmental body pursuant to Section 552.03, therefore the Corporation's documents, books, records, accounts, and financial statements are subject to the Texas Public Information Act, Texas Government Code Chapter 552,

Deposit and Investment of Corporation Funds.

- a. All proceeds from loans or from the issuance of bonds, notes, or other debt instruments (“Obligations”) issued by the Corporation in accordance with the provisions of the Act shall be deposited and invested as provided in the resolution, order, indenture, or other documents authorizing or relating to their execution or issuance.
- b. Subject to the requirements of contracts, loan agreements, indentures or other agreements securing Obligations, all other money of the Corporation, if any, 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 its treasurer and such other persons as the Board designates. The CFO of the City or designee of the CFO shall perform the accounts, reconciliation, and investment of such funds and accounts.
- c. Funds of the Corporation, the proceeds from the sale of property, revenues generated by and payable to the Corporation pursuant to the Act or any other source of revenues, and the proceeds derived from the sale of Obligations may be expended by the Corporation for any of the purposes authorized by the Act. Expenditures that are permitted to be made from a fund created with the proceeds of Obligations and expenditures of money derived from sources other than the proceeds of Obligations may be used for the purpose of financing or otherwise

providing for the acquisition, construction, rehabilitation, renovation, repair, equipping, furnishing and placement in service of public facilities of the City under the terms of the Act.

Issuance of Obligations. No Obligations, including refunding obligations, shall be authorized or sold and delivered by the Corporation unless the City approves such Obligations by action taken prior to the date of initial delivery of the Obligations to the initial purchasers thereof.

ARTICLE VI
PROVISIONS REGARDING ARTICLES OF INCORPORATION AND BYLAWS

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

- a. the approval of these Bylaws by the City, which approval may be granted prior to the creation of the Corporation; and
- b. the adoption of the Bylaws by the Board.

Amendments to Bylaws. These Bylaws may be amended as set forth in the Articles of Incorporation.

Interpretation of Bylaws. These Bylaws and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein. If any word, phrase, clause, sentence, paragraph, section, or other part of these Bylaws or the application thereof to any person or circumstance, shall ever be held to be invalid or unconstitutional by any court of competent jurisdiction, the remainder of these Bylaws and the application of such word, phrase, clause, sentence, paragraph, section, or other part of these Bylaws to any other person or circumstance shall not be affected thereby.

ARTICLE VII
GENERAL PROVISIONS

Principal Office. The principal office and the registered office of the Corporation shall be 215 E McKinney St, Denton, TX 76201.

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

Seal. No seal of the Corporation shall be required.

Notice and Waiver of Notice. Whenever any notice whatsoever is required to be given under the provisions of the Act, the Articles of Incorporation, or these Bylaws, such notice shall be deemed to be sufficient if sent by U.S. Mail, with proper postage, certified mail return receipt requested or by a nationally recognized overnight delivery service addressed to the person entitled thereto at

his or her post office address, as it appears on the books of the Corporation, and such notice shall be deemed to have been given three business days following such mailing. Attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened. Neither the business to be transacted at nor the purpose of any Regular or Special Meeting of the Board need be specified in the notice of such meeting, unless required by the Board or by the provisions of these Bylaws. A waiver of notice in writing, signed by the person or persons entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Notwithstanding the foregoing, nothing in this section shall be construed to restrict or modify the public notice provisions of TOMA.

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

Services of City Staff and Officers. To the extent possible, the Corporation shall utilize the services and the staff employees of the City. All requests for staff time or inquiries of staff will be requested through the secretary or the general manager. City staff may also hire contractors for professional services and/or outside legal counsel to provide such services. The Corporation shall pay reasonable compensation for such services, and the performance of such services shall not materially interfere with the other duties of such personnel of the City.

Action Without a Meeting of Directors or Committees. Any action which may be taken at a meeting of the Board or of any committee may be taken without a meeting if a consent in writing, setting forth the action to be taken, shall be signed by all of the Directors, or all of the members of the committee, as the case may be, subject to TOMA. Such consent shall have the same force and effect as a unanimous vote and may be stated as such in any articles or document filed with the Texas Secretary of State, or any other person.

Approval or Advice and Consent of the Governing Body. To the extent these Bylaws or the Articles of Incorporation refer to any approval by the City or refer to advice and consent by the City, such approval or advice and consent shall be evidenced by a certified copy of a resolution or motion duly adopted by the Governing Body.

Termination. Upon the termination of the Corporation after payment of all obligations of the Corporation, all remaining assets of the Corporation shall be transferred to the City.

Governmental Unit. 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.

ARTICLE VIII
PUBLIC FACILITY CORPORATION POWERS AND LIMITATIONS

Purpose and Powers. The Corporation is organized exclusively for the purpose of assisting the City in financing, refinancing or providing "public facilities," as defined in the Act and as approved by the Governing Body pursuant to the provisions of these Bylaws and the Articles of Incorporation. The Corporation shall have and possess all powers to finance the acquisition of obligations issued or incurred in accordance with existing law, to provide for the acquisition, construction, rehabilitation, renovation, repair, equipping, furnishing, and placement in service of public facilities as allowed by the Governing Body and pursuant to the Act. The Corporation is authorized to issue bonds, as defined and permitted by the Act; provided, however, no bonds, notes, or other evidence of indebtedness may be issued by the Corporation unless such bonds are first approved by resolution of the Governing Body.

Governing Body Oversight. The Governing Body, in its sole discretion, may alter the Corporation's structure, name, organization, programs, and activities, including dissolution of the Corporation, consistent with the Act and subject to any limitations provided by law relating to the impairment of contracts entered into by the Corporation. Before the consummation of the sale and delivery of any bonds or the application of any available tax exemption to a Public Facility or the user of a Public Facility, as permitted by the Act, the Corporation shall obtain approval by the Governing Body by written resolution. In the exercise of its powers, the Corporation may enter into loan, lease, or other agreements as authorized by the Act that are necessary and appropriate to the fulfillment of the public purpose of the Corporation, all of which agreements, and any specific uses and methods of withdrawals and expenditure of bond proceeds, are subject to the prior approval of the Governing Body by written resolution.

ARTICLE IX
MULTIFAMILY RESIDENTIAL DEVELOPMENT

Net Revenue of the Corporation. Any net revenue generated by any Public Facility related to multifamily residential development by this Corporation shall be used solely in furtherance of the City of Denton housing programs, policies, and initiatives.

Limits on Participation. The Corporation shall not participate in any Public Facility related to multifamily residential development unless approved by the Governing Body by resolution stating that (i) the development of the Public Facility could not be feasible but for the Corporation's participation and (ii) the development of the Public Facility is in furtherance of the City's housing programs, policies, and initiatives and is carried out pursuant to the provisions of these bylaws and the Act.

Solicitation of Development Proposals and Third-Party Services. The Corporation shall solicit multifamily residential proposals and third-party services through an open application process. Any Public Facility, including multifamily residential developments, developed on City or other publicly-owned land shall be solicited through a request for proposals or similar method in accordance with all laws, ordinances, orders, resolutions, criteria, and policies that are applicable to the City.

Fair Housing. Any Public Facility related to multifamily residential development must adhere to Chapter 14, ARTICLE III of the City of Denton Code of Ordinances, as amended.

ARTICLE X
CODE OF ETHICS

Conflicts of Interest. Directors and Officers are subject to the ethics provisions of ARTICLE XI - ETHICS of the City of Denton Code of Ordinances, as amended. It is the policy of the Corporation that Directors and Officers conduct themselves in a manner consistent with sound business and ethical practices; that the public interest always be considered in conducting corporate business; that the appearance of impropriety be avoided to ensure and maintain public confidence in the Corporation; and that no Officer, employee, or member of the Board should have an interest, financial or otherwise, direct or indirect, or engage in any business, transaction, or professional activity or incur any obligation of any nature which is in conflict with the proper discharge of his or her duties and are not to use their position for personal gain.

ARTICLE XI
INDEMNIFICATION OF DIRECTORS, OFFICERS AND EMPLOYEES

Indemnification of Directors. A Director of the Corporation shall not be personally liable to the Corporation for monetary damages for any act or omission in such Director's capacity as a Director, except that this Article does not authorize the elimination or limitation of the liability of a Director to the extent the Director is found liable for: (i) a breach of a Director's duty to the Corporation; (ii) an act or omission not in good faith that constitutes a breach of duty of the Director to the Corporation or an act or omission that involves intentional misconduct or a knowing violation of the law; (iii) a transaction from which a Director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the Director's office; or (iv) an act or omission for which the liability of a Director is expressly provided for by an applicable statute. The foregoing elimination of liability shall not be deemed exclusive of any other rights, limitations of liability, or indemnity to which a Director may be entitled under any other provision of the Articles of Incorporation or these Bylaws, any contract or agreement, vote of Directors, principle of law, or otherwise. Any repeal or amendment of this Article shall be prospective only, and shall not adversely affect any limitation on the personal liability of a Director of the Corporation existing at the time of such repeal or amendment. In addition to the circumstances in which a Director of the Corporation is not personally liable as set forth in the foregoing provisions of this Article, a Director shall not be liable to the full extent permitted by any amendment to the Texas Business Organizations Code or the Act hereafter enacted that further eliminates or authorizes the elimination of the liability of a Director.

Indemnification of Officers and Employees. The Corporation shall indemnify each of its officers and its employees and each employee of the City, to the fullest extent permitted by law, against any and all liability or expense, including attorney's fees, incurred by any of such persons by reason of any actions or omissions that may arise out of the sanctions and activities of the Corporation; provided, however, that the Corporation may not provide indemnity in any manner if the officer, employee, or agent is guilty of negligence or misconduct in relation to the matter.

The legal counsel for the Corporation is authorized to provide a defense for members of the board of directors, officers, and employees of the Corporation in relation to acts or omissions arising out of the sanctions and activities of the Corporation to the extent that such representation does not conflict with representation of the Corporation and is not adverse to the interests of the Corporation.

Directors and Officers Insurance. The Corporation shall indemnify Directors, Officers, employees, and agents of the Corporation to the fullest extent permitted by law, subject in each case to the restrictions, if any, of this Article. The Corporation shall have the power to purchase and maintain at its cost and expense insurance on behalf of such persons to the fullest extent permitted by law.

ADOPTION OF BYLAWS

We, the undersigned, are all of the initial Directors of the Corporation, and we consent to, and hereby adopt, the foregoing Bylaws, consisting of thirteen (13) pages, as the Bylaws of this Corporation.

Date: _____

By: _____

Gerard Hudspeth, Director

By: _____

Vicki Byrd, Director

By: _____

Brian Beck, Director

By: _____

Paul Meltzer, Director

By: _____

Joe Holland, Director

By: _____

Brandon Chase McGee, Director

By: _____

Chris Watts, Director