

**BYLAWS OF THE
PALACIOS ECONOMIC DEVELOPMENT CORPORATION**

These Bylaws govern the affairs of the PALACIOS ECONOMIC DEVELOPMENT CORPORATION (the “Corporation”), a public instrumentality and nonprofit corporation created under Section 4B of the Development Corporation Act of 1979, Article 5190.6 of the Revised Civil Statutes of Texas (the “Act”).

ARTICLE I. PURPOSE

General Purposes

1.01. The Corporation acts on behalf of the City of Palacios, Texas in furtherance of the public purposes of the Act and may engage in any project authorized under Section 4B(a)(2) of the Act.

Projects

1.02. “Project” means land, buildings, equipment, facilities, expenditures, and improvements included in the definition of that term under Section 2 of the Economic Development Act of 1979, as amended and include job training as provided by Section 38 of the Act. The term includes recycling facilities, and land, buildings, equipment, facilities, and improvements found by the Board of Directors to:

- (A) be required or suitable for the use for professional and amateur (including children’s) sports, athletic, entertainment, tourists, convention, and public park purposes and events, including stadiums, ball parks, auditoriums, amphitheaters, concert halls, parks and park facilities, open space improvements, 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;
- (B) promote or develop new or expanded business enterprises that create or retain primary jobs, including a project to provide public safety facilities, streets and roads, drainage and related improvements, demolition of existing structures, general municipally-owned improvements, 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 that create or retain primary jobs;
- (C) be required or suitable for the promotion of development and expansion of affordable housing, as defined by 42 U.S.C. Section 12745:
- (D) be required or suitable for the development or improvement of water supply facilities, including dams, transmission lines, well field developments, and other water supply alternatives;

- (E) be required or suitable for the development and institution of water conservation programs, including incentives to install water-saving plumbing fixtures, educational programs, brush control programs, and programs to replace malfunctioning or leaking water lines and other water facilities;
- (F) be required or suitable for the development or expansion of airport facilities, including hangars, airport maintenance and repair facilities, air cargo facilities, and related infrastructure located on or adjacent to an airport facility, if the project is undertaken by a corporation created by an eligible city:
 - (i) that enters into a development agreement with an entity in which the entity acquires a leasehold or other possessory interest from the corporation and is authorized to sublease the entity's interest for other projects authorized by this subdivision; and
 - (ii) the governing body of which has authorized the development agreement by adopting a resolution at a meeting called as authorized by law.

Powers

1.03. The Corporation has all the powers, both express and implied, granted to corporations governed by Section 4B of the Act. The Corporation shall have no power to take any action that would be inconsistent with the requirements for exemption from federal tax as a non-profit corporation under section 501(c) (4) of the Internal Revenue Code or such other applicable section.

ARTICLE II. OFFICES

Principal Office

2.01. The principal office of the Corporation in the State of Texas shall be located at 420 Main Street in Palacios, Texas. The Board of Directors may change the location of the office with the approval of the City Council of Palacios.

Registered Office and Registered Agent

2.02. The Corporation shall have and continuously maintain in the State of Texas a registered office and a registered agent whose office is identical with such registered office, as required by the Act. The Board of Directors may, from time to time, change the registered agent and/or the address of the registered office, provided that proper notification of such change is given to the Office of the Secretary of the State of Texas.

ARTICLE III. BOARD OF DIRECTORS

Management of the Corporation

3.01. The affairs of the Corporation shall be managed by the Board of Directors, subject to applicable limitations imposed by the Texas Business Corporation Act, the Development Corporation Act of 1979, the Articles of Incorporation, or these bylaws.

Number, Qualifications and Tenure of Directors

3.02. The Board of Directors shall consist of seven (7) members appointed by and who serve at the pleasure of the City Council of the City of Palacios for two (2) year terms of office. A director may be removed by the City Council at any time without cause.

- (A) No director of the Board shall serve more than three (3) consecutive full terms. A former director can be reappointed after serving three full terms if one (1) full calendar year has passed following completion of the former director's last term.
- (B) Board members must be citizens of Palacios, of Matagorda County, or reside at a place that is within 10 miles of the Palacios city boundary and is in a county bordering Matagorda County.
- (C) At least three Board directors shall be persons who are not employees, officers or members of the City Council of Palacios.
- (D) If a City Councilperson of the City of Palacios who has been appointed as a director shall cease to be a member of the City Council of the City of Palacios, such event shall constitute an automatic resignation as a director and such vacancy shall be filled in the manner provided herein.
- (E) The terms of Board directors shall begin upon approval of the Articles of Incorporation of the Palacios Economic Development Corporation by the Secretary of State.
- (F) When initial appointments are made by the Palacios City Council to the Board, three (3) appointments shall expire one (1) year from the start of the terms of the Board as stated in Section 3.02(E) above. Four (4) appointments shall be for two (2) years and shall expire two (2) years from the start of the terms of the Board as stated in Section 3.02(E) above. The City Council shall determine which initial appointments are for one (1) or two (2) year terms.
- (G) The City Council shall consider an individual's experience, accomplishments, Economic involvement, and educational background in appointing members to the Board of Directors.

Attendance

3.03. Directors should attend all regular and called meetings of the Board of Directors. Directors who are regularly absent from meetings or who miss four consecutive regular meetings without prior justifiable approval, as granted by the Chairman of the Board, may be removed from office upon recommendation of the Board to the City Council acting at its discretion.

Vacancies

3.04. A vacancy occurring upon the Board of Directors shall be filled for the unexpired term by appointment by the City Council of Palacios.

Duties of Directors

3.05. Directors shall exercise ordinary business judgement in managing the affairs of the Corporation. In acting in their official capacity as Directors of the Corporation, Directors shall act in good faith and take actions they reasonably believe to be in the best interest of the Corporation and which are not unlawful. A Director shall not be liable if, in the exercise of ordinary care, the Director acts in good faith relying on written financial and legal statements provided by the City of Palacios, an accountant or attorney retained by the Corporation.

Removal of Directors

3.06. The Board of Directors and each member thereof serves at the pleasure of the City Council which may remove any director at any time, either with or without cause.

Compensation of Directors

3.07 Directors of the Corporation shall serve without compensation, except that they may be reimbursed for their actual expenses incurred in the performance of their duties.

Open Meetings Act

3.08 The Board of Directors is subject to the open meetings act, Chapter 271, Acts of the 60th Legislature, Regular Session, 1967, as amended.

Potential Conflicts of Interest

3.09. The members of the Board of Directors are local public officials within the meaning of the Texas Government Code Chapter 171. In transactions with the Corporation, Directors shall follow and be bound by the requirements and limitations of Chapter 171 of the Local Government Code, as amended. If a director has a substantial interest in a business entity or real property which is the subject of deliberation by the Board of Directors, 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 and the interested director shall abstain from any vote or decision upon the matter. The Corporation shall not make a loan to a Director, Officer or employee of the Corporation or to an Officer or employee of the City of Palacios. Any Director may bring to the Board's attention any apparent or potential conflict of interest of any other Director in any transaction or matter coming before the Board of Directors for a decision. The Board of Directors shall make a determination on whether the Director has a conflict of interest before voting on the transaction or matter. The Director alleged to have the conflict of interest shall not vote on the determination of whether the conflict of interest exists.

ARTICLE IV. OFFICERS

Officer Positions

4.01. The officers of the Corporation shall be a president, vice president, secretary, and treasurer, all of whom shall be members of the Board of Directors. The Board of Directors may create additional officer positions, define the authorities and duties of such additional positions and appoint persons to fill such positions. A Board member may hold more than one office at a time, except that the President cannot also hold the position of Secretary.

Election and Terms of Officers

4.02. The officers of the Corporation shall be elected annually by the Board of Directors at the regular annual meeting in **January**. Each Officer shall hold office until a successor is duly elected and qualified. An Officer may be elected to succeed himself or herself in the same office.

Removal of Officers

4.03. Any officer may be removed by the Board of Directors at any time, with or without good cause. The removal of an officer does not also result in the removal of such person as a director of the Corporation.

Vacancies

4.04. A vacancy in any office may be filled by an election held by the Board of Directors for the unexpired portion of the officer's term.

President

4.05. The president shall be the chief executive officer of the Corporation. The president shall supervise and control all of the business and affairs of the Corporation. The president shall preside at meetings of the Board of Directors. The president shall execute all documents and agreements affecting the corporation, except where such power is expressly delegated to another officer of the Corporation. The president shall perform other duties prescribed by the Board of Directors and all duties incident to the office of president.

Vice President

4.06. When the president is absent, is unable to act, or refuses to act, the vice president shall perform the duties of the president. When acting in place of the president, the vice president shall have all the powers and duties as the president and be subject to all of the limitations and restrictions placed upon the president.

Secretary

4.07. The secretary shall:

(A) Give all notices as provided in the bylaws as required by law.

(B) Take minutes of the meetings of the Board of Directors and keep the minutes as part of corporate records.

- (C) Maintain the custody of the corporate records, authenticate corporate documents and affix the seal of the Corporation as required.
- (D) Keep a register of the mailing address of each director and officer of the Corporation.
- (E) Perform duties as assigned by the president of the Board of Directors.
- (F) Perform all duties incident to the office of secretary.
- (H) Shall preside at meetings of the Board of Directors in the absence of the President and the Vice President.

Treasurer

4.08. The treasurer shall:

- (A) Have charge and custody of and be responsible for all funds and securities of the Corporation.
- (B) Receive and give receipts for moneys due and payable to the Corporation from any source. The Corporation may contract with the City of Palacios to receive its monies due and to issue payments on behalf of the Corporation.
- (C) Deposit all monies in the name of the Corporation with the City of Palacios, in banks, trust companies, or other depositories as provided by these bylaws. The Corporation may contract with the City of Palacios to deposit, invest, and manage its funds in a fiscally responsible manner.
- (D) Write checks and disburse funds to discharge obligations of the Corporation. The Corporation may contract with the City of Palacios to issue payment checks on behalf of the Corporation.
- (E) Maintain the financial books and records of the Corporation. The Corporation may contract with the City of Palacios to maintain its financial books and records in accordance with generally accepted public financial record keeping policies.
- (F) Prepare financial reports at least annually or have the City prepare such reports.
- (G) Perform other duties as assigned by the Board of Directors.
- (H) Perform all duties incident to the office of treasurer.

Executive Director, Office Manager and Other Employees

4.09. The Board of Directors may employ an Executive Director, Office Manager and other such full-time or part-time employees as needed to carry out the programs of the Corporation within

the specific budget approved by the City Council. The Board may contract with another organization for the services of the Executive Director. The Board shall set the duties for the positions of its hired or contracted employees. If the Corporation has a full-time Executive Director, that Executive Director shall serve at the pleasure of the Board and shall be responsible for policy and program implementation and the day-to-day operations of the Corporation, including the hiring of employees and the supervision and dismissal of those employees. If the Corporation contracts for the part-time services of an Executive Director, then the Board shall be responsible for hiring, supervising and dismissing any of its employees.

4.10 The Executive Director shall be a non-voting, ex-officio member of the Board of Directors and of any other committees created by the Board of Directors. The Executive Director shall compile and submit to the Board of Directors regular reports, recommendations and agenda items regarding the programs, policies, and business affairs of the Corporation.

ARTICLE V. BOARD COMMITTEES

Committees Authorized

5.01. With the approval of the Board of Directors, the President may appoint persons to serve on standing or ad hoc committees. Committee members need not be Directors of the Corporation, unless required by these Bylaws or Board Resolution. Committees will operate under general rules adopted by the Board of Directors. Committees may be charged with specific duties or authority, but shall not have the authority to:

- (A) Amend the Articles of Incorporation; amend, alter or repeal the Bylaws; or adopt a plan of merger or consolidation with another Corporation.
- (B) Authorize the sale, lease, exchange or mortgage of any of the property or assets of the Corporation or commit Corporation funds without the prior approval of the Board of Directors.
- (C) Authorize or revoke proceedings for the voluntary dissolution of the Corporation or adopt a plan for the distribution of the assets of the Corporation.
- (D) Approve any transaction to which the Corporation is a party, take any action outside the scope of authority delegated to it by the Board of Directors, take final action on a matter that requires the approval of the Board of Directors, take action on any other matters appropriate to the authority of the Board of Directors, or take any action that involves a potential conflict of interest as defined in these Bylaws.

Committee Terms

5.02. The members of each standing committee shall serve until successors are appointed by an incoming President, unless the Committee is terminated or a member is removed, resigns, or ceases to qualify as a member. Vacancies on committees may be filled in the same manner as the original

appointment. Any committee member may be removed from committee membership by the President, with Board approval, whenever in their judgement the best interests of the Corporation would be served by such removal.

Rules

5.03. Each committee or subcommittee may adopt rules for its own operation consistent with the Bylaws or with rules adopted by the Board of Directors.

5.04. Such committees shall keep regular minutes of their meetings and report the same to the Board of Directors.

ARTICLE VI. MEETINGS

Annual Meeting

6.01. The annual meeting shall be held during the month of **January** of each year. The Board of Directors shall designate the time and location of the annual meeting which shall be held in the principal offices of the Corporation.

Regular Meetings

6.02. The Board of Directors may provide for regular meetings by resolution stating the time and place of such meetings at least four (4) times a year. The meetings shall be held within the City of Palacios at the principal offices of the Corporation or at such other location as the Board of Directors may designate.

Special Meetings

6.03. Special meetings of the Board of Directors may be called at the request of the President or any three Directors. A person or persons calling the meeting shall fix the time and location of the meeting, which meeting shall be conducted within the City of Palacios. 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.

Notice of Meetings

6.04. The Board of Directors shall be considered a “governmental body” within the meaning of Texas Government Code, Sec. 551.001, and all meetings, notices of meetings, and deliberations shall be called, convened, held, conducted and given in accordance with the provisions of Texas Government Code, Chapter 551 (The Texas Open Meetings Act). In addition to the posting of a meeting notice in accordance with these Bylaws and the Texas Open Meetings Act, 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. The notice shall state the place, date and time of the meeting. Meeting notices may be sent by email and will be deemed delivered when sent, if no electronic notification of return is received by the sender. 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. 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. In the case of special meetings, notice may be issued to Directors by email, mail, telephone, fax or in person and shall include who called the meeting and the purpose of the meeting.

Quorum

6.05. Four (4) directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. The presence of a director may not be established by proxy. No business shall be conducted, nor shall any action be taken by the Board of Directors in the absence of a quorum.

Actions of Board of Directors

6.07. The Board of Directors shall try to act by consensus. However, the vote of a majority of directors present at a meeting at which a quorum is present shall be sufficient to constitute the act of the Board of Directors.

Proxy Voting Prohibited

6.08. A Director may not vote by proxy.

ARTICLE VII. TRANSACTIONS AND ADMINISTRATION OF THE CORPORATION

Fiscal Year

7.01. The fiscal year of the Corporation shall run concurrently with the fiscal year of the City of Palacios (October 1st through the following September 30th).

Contracts for Services

7.02. The Corporation may contract with the City of Palacios for the administration of its accounts, expenditures, deposits, investment of funds and accounts, and other financial services for the Corporation. The Board of Directors 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. Should the Corporation use a commercial bank for maintaining its deposits, funds can be withdrawn by check upon each check having two (2) signatures, with the Executive Director and four (4) Directors of the Corporation as authorized signatories, who shall be specifically designated by the Board from time to time.

Budget

7.03. At least 45 days prior to the commencement of each fiscal year of the Corporation, the Board of Directors shall adopt a proposed budget of expected revenues and proposed expenditures of the next ensuing fiscal year. The budget shall contain classifications and shall be in such forms as may be prescribed from time to time by the City Council of the City of Palacios. The Corporation's

budget shall not be effective until the same has been approved by the City Council of the City of Palacios.

Limitations on Expenditures

7.04. The Corporation, which was authorized by the City Council of Palacios, a city with a population of less than 20,000, is *not required* to hold a public hearing before expending funds to undertake a project as defined by Section 2 of the Act.

7.05. The Corporation shall not make any commitment for dispersal of any funds in excess of \$10,000 for an eligible project until the City Council adopts a resolution authorizing the project after giving the resolution at least two (2) separate readings.

7.06. The Corporation will run a public notice in the local newspaper when a project, as defined by Section 2 of the Act, is approved for funding. The notice will identify the project to be funded and the amount of funding to be provided.

7.07. The Corporation will not issue a check for an *approved project*, as defined by Section 2 of the Act, until at least 60 days after first publishing notice of the specific project that has been approved. If a petition is received by either the Corporation or the City from more than 10 percent of the registered voters of the city that an election be held before that specific project is undertaken, the Corporation will not issue the check until a public election has been held which approves the project for funding.

7.08. The Corporation may spend no more than 10 percent of the corporate revenues for promotional purposes and may contract with another existing private corporation to carry out an industrial development program or objective or to assist with the development or operation of an economic development program or objective consistent with the purposes and duties specified in this Act.

Checks and Drafts

7.07. Should the Corporation use a commercial bank for deposits of its funds, then all checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation shall be signed by two (2) original signatures, with the Executive Director and four (4) Directors of the Corporation as authorized signatories, who shall be specifically designated by the Board from time to time.

Contracts

7.08. The Board of Directors may authorize any officer or agent of the Corporation to enter into or execute and deliver any instrument in the name of or on behalf of the Corporation. This authority may be limited to a specific contract or instrument or it may extend to any number and type of possible contracts and instruments. The Corporation shall follow and be bound by the same purchasing and contracting provisions of State law, including the provisions on competitive bidding, that are applicable to the City of Palacios.

7.09. The Corporation may contract with any qualified and appropriate person, association, corporation, or governmental entity, including the City of Palacios, to perform or discharge designated tasks which will aid or assist the Board in the performance of its duties.

Gifts

7.10. The Board of Directors may accept on behalf of the Corporation any gift or bequest. Special funds shall include all funds from government contracts, grants, and gifts designated by a donor for special purposes. All other funds shall be general funds.

Investments

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

Bonds

7.12. Any bonds issued by the Corporation shall be in accordance with the Act and shall not be issued without approval of the City Council of the City of Palacios and by the bond counsel and financial advisers of the City of Palacios or the Corporation.

Seal

7.13. The Board of Directors may provide for a corporate seal.

ARTICLE VIII. BOOKS, RECORDS AND AUDITS

Required Books and Records

8.01. The Corporation shall keep correct and complete books and records of account. The Corporation's books and records shall include:

- (A) A file endorsed copy of all documents filed with the Texas Secretary of State relating to the Corporation, including, but not limited to, the Articles of Incorporation, any articles of amendment, restated articles, articles of merger, articles of consolidation and statement of change of registered office or agent.
- (B) A copy of the bylaws, and any amended versions or amendments to the bylaws.
- (C) Minutes of the proceedings of the Board of Directors.
- (D) A list of names and addresses of the directors and officers of the Corporation.

- (E) A financial statement showing the assets, liabilities, and net worth of the Corporation at the end of the three most recent fiscal years.
- (F) A financial statement showing the income and expenses of the Corporation for the three most recent fiscal years.
- (G) All rulings, letters, and other documents relating to the Corporation's federal, state and local tax status.
- (H) The Corporation's federal, state and local information or income tax returns for each of the Corporation's three most recent fiscal years.

Records Open to Public

8.02. The Corporation shall be considered a "government body" within the meaning of Texas Government Code, Sec. 552.2003 and all records of the Corporation shall be made available to the public for inspection or reproduction in accordance with the requirement of Texas Government Code, Chapter 552 (The Texas Open Records Act).

Audits

8.03. The City Council of the City of Palacios may at any time require an independent audit of the Corporation's books to be conducted.

8.04. If the Corporation's financial books, records, accounts and statements are audited as part of the annual City of Palacios audit, then no separate audit will be required of the Corporation. If the Corporation maintains its own books, records, accounts, and financial statements, then they will be audited at least once each fiscal year by an outside independent certified public accounting firm approved by the City Council of the City of Palacios. Any such audit shall be performed in accordance with generally accepted auditing standards (GAA) and shall include a written management letter which details suggested management controls and operating efficiencies. The management letter shall include recommendations for improving cost reductions and safeguarding assets. Each audit so prepared shall be submitted annually to the City Council of the City of Palacios for approval.

Inspections

8.05. Any member of the City Council of the City of Palacios, Director or Officer of the Corporation may inspect and receive copies of all books and records of the Corporation required to be kept by the Bylaws.

Reports

8.06 Not later than February 1st of each year, the Corporation shall submit to the Office of the Comptroller a report in the form required by the Comptroller.

ARTICLE IX. AMENDMENTS TO BYLAWS OR ARTICLES OF INCORPORATION

9.01. The Bylaws may be altered, amended, or repealed by the Board of Directors with the consent of the City Council of the City of Palacios.

9.02. The Articles of Incorporation may at any time and from time to time be amended as provided in the Act so as to make any changes therein and add any provisions thereto which might have been included in the Articles of Incorporation in the first instance. Any such amendment shall be affected in either of the following manners: (1) the members of the Board of Directors of the Corporation shall file with the City Council of the City of Palacios a written application requesting approval of the amendments to the Articles of Incorporation, specifying in such application the amendments proposed to be made, such governing body shall consider such application and, if it shall by appropriate resolution duly find and determine that is advisable that the proposed amendments be made and shall approve the form of the proposed amendments, then 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 (2) Council may, at its sole discretion, and at any time, amend the 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 Act, and subject to any limitation provided by the constitutions and laws of the State of Texas and the United States of America on the impairment of contracts entered into by the Corporation) by written resolution adopting the amendment to the Articles of Incorporation of the Corporation or articles of dissolution at a meeting of the City Council of the City of Palacios and delivering articles of amendment or dissolution to the Secretary of State, as provided in the Act. Restated Articles of Incorporation may be filed with the Secretary of State as provided in the Act.

ARTICLE X. INDEMNIFICATION AND INSURANCE

Corporation to Indemnify

10.01. The Corporation shall indemnify any Director or Officer or former Director or Officer of the Corporation for expenses and costs (including attorney's fees) actually and necessarily incurred by the Officer or Director in connection with any claim asserted against the Officer or Director by action in court or otherwise by reason of the person being or having been a Director or Officer, except in relation to matters as to which the person shall have been guilty of negligence or misconduct in respect of the matter in which indemnity is sought.

ARTICLE XI. PARLIAMENTARY AUTHORITY

11.01. Robert's Rules of Order, Newly Revised, shall be the parliamentary authority for all matters of procedure not specifically covered by the Bylaws or any specific rules of procedure adopted by the Board of Directors.

ARTICLE XII. DISSOLUTION OF THE CORPORATION

12.01. The Corporation is a non-profit Corporation. Upon dissolution, all of the Corporation's assets shall be conveyed to the City of Palacios.

ARTICLE XIII. MISCELLANEOUS PROVISIONS

Legal Authorities Governing Construction of Bylaws

13.01. The 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 Development Corporation Act of 1979 applicable to corporations governed under Section 4B of that Act are incorporated within these bylaws by reference. In the event of any conflict between these bylaws and the Act, the applicable provisions of the Act shall control.

Legal Construction

13.02. If any bylaw provision 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.

Headings

13.03. The headings used in the bylaws are used for convenience and shall not be considered in construing the terms of the bylaws.

Parties Bound

13.04. The Bylaws shall be binding upon and inure to the benefit of the directors, officers and agents of the Corporation and their respective heirs, executors, administrators, legal representatives, successors and assigns except as otherwise provided in the Bylaws.

Effective Date

Adopted: January 19, 2011
Amended: November 19, 2014

13.05. These Bylaws, and any subsequent amendments hereto, shall be effective of and from the later date upon which approval has been given both by the Board of Directors and the City Council of the City of Palacio

CERTIFICATE OF SECRETARY

This is to certify that the foregoing is a true and correct copy of the Bylaws of the Corporation and that the Bylaws were duly adopted by the Board of Directors of the Corporation on the date set forth below.

Adopted by the Board of Directors on this _____ day of _____, 2014.

Attest: _____
Secretary of the Corporation

Bylaws approved or amended by City of Palacios by Resolution No. _____,
adopted by City Council of the City of Palacios on the _____ day of _____, 2014.

(Seal)

Attest: _____ City Secretary, _____