

**Bylaws
Early Municipal
Development District
Early, Texas
07/20/2016**



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Early Municipal Development District

EARLY, TEXAS

ARTICLE I OFFICE, AGENT, PURPOSE, POWERS

SECTION 1. REGISTERED OFFICE AND REGISTERED AGENT

The Early Municipal Development District (the "District") shall have and continuously maintain in the City of Early ("the City") a registered office, which registered office shall be the depository for all records of the district, and a registered agent whose office is identical with such registered office. The Registered Agent for the District shall be the City Secretary of the City of Early. The registered office of the District shall be 960 Early Boulevard, Early, Texas 78336 whose mailing address is Post Office Box 3100, Early, Texas 76803.

SECTION 2. PURPOSE

The District is a political subdivision of the State of Texas and the City for the purposes set forth in the Bylaws, the same to be accomplished on behalf of the City as its duly constituted authority and instrumentality in accordance with Chapter 377 of the Texas Local Government Code (the "Act"), other Applicable laws. The District was established for the purpose of developing and financing all permissible projects prescribed by the Act.

SECTION 3. POWERS

In the fulfillment of its purpose, the District shall be governed by the Act, and shall have all of the powers set forth and conferred in the Act, and in other applicable laws, subject to the limitations prescribed therein and herein and to the provisions thereof and hereof.

ARTICLE II BOARD OF DIRECTORS

SECTION 1 NUMBER AND TERM OF OFFICE

- A. The property and affairs of the District shall be managed and controlled by the Board of Directors (the "Board") and subject to the restrictions imposed by law and these Bylaws. The Board shall exercise all of the powers of the District. The Board may plan and direct its work through the City's Director of Economic Development, who will be charged with the responsibility of carrying out the District's programs as adopted and planned by the Board.
- B. The Board shall consist of five (5)-Directors, each of whom shall be appointed by the Mayor of the City with the approval of the City Council of the City. Each of the Directors shall be a resident of City or the extraterritorial jurisdiction of the City of Early. An employee, officer, or member of the City Council of the City ("City Council") may serve as a Director. The Mayor and City Council shall consider an individual's experience, accomplishments, and educational background in appointing members to the Board to ensure that the interests and concerns of all segments of the community are considered.
- C. No Director shall have a personal interest in a contract executed by the District other than as an employee, officer, or member of the City Council of the City.

- D. In initially establishing the board, two (2) board members shall be appointed to serve a period of one (1) year and three (3) Board members shall be appointed to serve a period of two (2) years. Thereafter, all Board members shall serve two-year terms. Not less than three (3) directors shall be persons who are not employees, officers of the City or members of the City Council.
- E. No member of the Board shall serve more than two (2) consecutive terms.
- F. Regular attendance of the Board meetings is required of all Members. Should the Director not attend three (3) regularly scheduled consecutive meetings with or without an excused absence, or have an attendance reflecting absences constituting 50% of the meetings over a 12-month period, the president shall report these absences in writing to the Mayor and the City Secretary and request that the Director be removed and replaced by another appointment.
- G. Any Director may be removed from office at will, with or without cause, by the City Council.

SECTION 2 VACANCIES AND RESIGNATIONS

A vacancy in any position of Director which occurs by reason of death, resignation, disqualification, removal or otherwise shall be filled by the City Council.

A Director may resign at any time. Such resignation shall be made in writing, addressed to the Mayor and the City Secretary, with a copy to the Board, and shall take effect at the time specified therein, or if no time is specified, at the time of its receipt by the City Secretary.

SECTION 3. MEETINGS AND DIRECTORS

The regular meetings of the Board shall be held at such time as may be designated by the Board of Directors and communicated to all Directors by written notice. The regular meetings shall be held in the city limits of Early. The President, or upon the President's incapacity, the Vice President, may call special meetings of the Board of Directors at such times and place within the City of Early as may be required. The Mayor of the City, or a majority of the members of the City Council may also call for a special meeting.

Notice of all meetings of the Board of Directors, or of a committee, shall be provided in accordance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code.

Any member of the Board of Directors of the District may have an item placed on the Agenda of a meeting by delivery, in writing, of the proposed agenda item to the President or Secretary of the District not less than five (5) calendar days prior to the date of the proposed meeting.

The District, the Board, and any committee of the Board exercising the powers of the Board are subject to Chapter 552 of the Texas Government Code (the "Public Information Act").

SECTION 4. QUORUM

A quorum shall consist of a majority of the Board which shall be present for the conduct of the official business of the District. The act of a majority of the Directors at a meeting at which a quorum is in attendance shall constitute an action of the Board and of the District.

SECTION 5. COMPENSATION OF DIRECTORS

The Directors, including the President, Vice-President, Secretary and Treasurer shall not receive any salary or compensation for their services, however, Directors may, with prior approval of the Board, be reimbursed for their actual expenses incurred in the performance of their duties hereunder, including but not limited to the cost of travel, lodging and incidental expenses reasonably related to the duties of the

Board. Travel expenses incurred by Directors for both regular and special meetings are not eligible for reimbursement.

SECTION 6. DUTIES

In accordance with State law, the City Council shall require that the District be responsible to it for the proper discharge of its duties assigned to it by statute, bylaws, and contracts. All policies for program administration shall be submitted for Council approval, and the Board shall administer said programs accordingly. The Board shall determine its policies and direction within the limitations of the duties herein imposed by laws, these Bylaws, contracts entered into, and budget and fiduciary responsibilities.

SECTION 7. BOARDS RELATIONSHIP WITH CITY COUNCIL AND STAFF

The City Council shall require that the District be responsible to it for the proper discharge of its duties. All policies for development project administration shall be submitted for Council approval, and the Board shall administer said development projects accordingly. The Board shall determine its policies and direction within the limitations of the duties imposed by applicable laws, these Bylaws, contracts entered into with the City, and budget and fiduciary responsibilities of the Board.

The Board or its designee in writing shall make any request for services made to the administrative departments of the City to the City Administrator. The City Administrator may approve such request for assistance from the Board when such requested services are available within the administrative departments of the City and that the Board has agreed to reimburse the Administrative department's budget for the costs of such services so provided.

The Board or its designee shall make any requests for legal assistance to the City Attorney. The City Attorney may provide such assistance when such services are available and the Board has agreed to reimburse the City for costs providing the legal services.

SECTION 8. BOARD TRAINING

Within the first quarter of their appointment, Board members will complete training in the Public Information Act and Open Meeting Act. Within the first year of their appointment and before six months if the training is available, Board members will receive training in Basic Economic Development. If reappointed to serve another term, board members will received continuing education in Economic Development during each term, and Public Information Act and Open Meeting Act training every five (5) years.

ARTICLE III OFFICERS

SECTION 1 TITLES AND TERM OF OFFICE

The Board of Directors shall choose from its members a President and a Vice-President. The Board of Directors may also choose a Secretary and a Treasurer, if elected shall be members of the Board of Directors. Officers shall serve for terms of One (1) year, or until their successors are elected.

SECTION 2. POWERS AND DUTIES OF THE PRESIDENT

The President shall be the Presiding Officer of the District, and shall, subject to the authority of the Board, preside at all meetings of the Board, and absent any different designation by the majority of the Board, shall sign and execute all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages and notes in the name of the District. In addition, the President shall:

- A. Call both regular and special meetings of the Board and establish the agenda for such;
- B. Have the right to vote on all matters coming before the Board;
- C. Have the authority to appoint standing or study committees to aid and assist the Board in its business undertaking or other matters incidental to the operation and functions of the Board.
- D. Perform all duties incident to the office, and such other duties as shall be prescribed from time to time by the Board.
- E. Appear before the City Council, or be represented by a designee, periodically to give a report on the status of the activities of the District; and
- F. Appear before the City Council, or be represented by a designee, regarding any item being considered by the City Council concerning the District.

SECTION 3. VICE-PRESIDENT

The Vice-President shall exercise the powers of the President during that officer's absence or inability to act. The Vice-President shall also perform other duties as from time to time may be assigned by the President or the Board.

SECTION 4. SECRETARY

The Secretary, elected, shall insure that: the minutes of the Board and its committees are recorded and retained as records of the District, all notices are posted and served as required by law, the books, records and all documents and instruments are open to public inspection upon application at the office of the District during business hours. The Secretary shall attest the signature of the President or any other officer of the District.

SECTION 5. TREASURER

The Treasurer, if elected, shall have the responsibility to insure the proper handling, custody and security of all funds and securities of the District. The Treasurer may be required, at the expense of the District, to give such bond for the faithful discharge of the duties in such form and amount as the Board may require by resolution. The Treasurer shall assure that a monthly financial report is provided to the Board concerning activities of the District.

SECTION 6. EX-OFFICIO MEMBERS

The City Administrator or designee and the Mayor or designee may attend all meetings of the Board of Directors or Committees, including executive, private, or public. These representatives shall not have the power to vote in the meetings they attend. Their attendance shall be for the purpose of ensuring that information about the meetings are accurately communicated to the City Council and to satisfy the City Council obligation to oversee the mission, goals, programs, and operations of the District.

SECTION 7. CITY'S DIRECTOR OF ECONOMIC DEVELOPMENT

The City Administrator with approval of the City Council shall employ a Director of Economic Development as an employee of the City to manage the day-to-day affairs of the District. The City Administrator shall review with the Board the proposed candidate prior to the City Council confirmation. The Director of Economic Development shall be the Chief Executive Officer of the District and shall assist the Board in carrying out the duties of the Board as set forth in the laws of the state and these bylaws. The Director of Economic Development shall be an employee of the City of Early and subject to all its salary, benefits, policies and procedures established by the City Administrator with approval of the City Council. The Board

shall, in the annual budget, make provisions for the compensation to be paid to the Director of Economic Development. The Director of Economic Development shall be an ex-officio member of all committees appointed by the President or the Board of Directors.

SECTION 8. *NECESSARY STAFF*

The Director of Economic Development with approval from the City Administrator may hire the necessary staff to assist with the day to day operations of the District, which shall be hired by the same procedure and policies of other City personnel. The staff shall not be members of the Board. The staff will be employees of the City of Early and subject to all its salary, benefits, policies and procedures established by the City Administrator with approval of the City Council. The Board shall, in the annual budget, make provisions for the compensation to be paid to these position. The Director of Economic Development with approval of the City Administrator may remove staff under policies and procedures of the City of Early.

SECTION 9. *IMPLIED DUTIES*

The District is authorized to take such actions as it may deem reasonable or necessary to accomplish any of the purposes or duties set out in these Bylaws in accordance with the Act and any other applicable law.

ARTICLE IV COMMITTEES

SECTION 1. *GENERAL*

The Board of Directors, by resolution adopted by the Board of Directors, may designate and appoint one or more committees, including an Executive Committee, each committee of which to be comprised of at least one (1) members. Each committee shall have such duties and responsibilities as set forth in such resolutions as adopted by the Board of Directors.

If the Board of Directors establishes an Executive Committee, a majority of the members of such committee shall be members of the Board of Directors of the District. The remainder of the members of the Executive Committee may, but need not, be members of the Board of Directors of the District.

Committee members need not be members of the District unless required by these Bylaws or Board resolution.

SECTION 2. *AUTHORITY*

Committees shall make a report either oral or written to the Board, so that it may be recorded in the Board meeting minutes. Except as limited by statute or these Bylaws, any committee of the Board of Directors, to the extent provided in any resolution adopted by the Board of Directors, shall have and may exercise the authority of the Board of Directors granted to such committee in the management of the business and affairs of the District.

SECTION 3. *REMOVAL*

Except as specifically provided by statute or these Bylaws, any member of a committee of the Board of Directors may be removed, with or without cause, by the Board of Directors.

ARTICLE V
FUNCTIONAL DUTIES AND RESPONSIBILITIES
GENERAL ECONOMIC DEVELOPMENT PLAN

SECTION 1. ECOMOMIC DEVELOPMENT PLAN

The District shall have the responsibility of developing an Economic Development Plan for the City. The Plan will strive to address all areas of economic development defined under Chapter 377 of the Local Government Code.

The Board is hereby required to perform the following duties:

1. The Board shall develop an overall economic development plan for the City that shall include and set forth intermittent and/or short term goals that the Board deems necessary to accomplish in compliance with the overall economic development plan. Such plan shall be approved by the City Council of the City. The overall development plan developed by the Board shall include the following elements:
 - a) An economic development strategy to permanently bolster the business climate throughout the city.
 - b) Strategies to fully utilize the assets of the city, which enhance economic development.
 - c) Identification of strategies to coordinate public, private and academic resources to develop and enhance business opportunities for all citizens of Early
 - d) Assurance of accountability of all tax monies expended for its implementation of the overall economic development plan.
2. An annual work plan outlining the activities, tasks, projects and programs to be undertaken by the Board during the upcoming fiscal year. The annual work plan shall be submitted with the annual budget.
3. The Board shall review and update its overall economic development plan once each year to ensure that said plan reflects the current economic climate and is capable of meeting Early's current economic development needs.
4. The Board shall expend, in accordance with State law, the tax funds received by it for direct economic development where such expenditures will benefit the citizens of Early.
5. The Board shall make reports to the City Council for its review and ratification. The Board shall discharge this requirement by reporting to the City Council in the following manner:
6. The Board shall make a detailed annual report to the City Council. Each report shall include, but shall not be limited to, the following:
 - a) A review of all expenditures made by the Board in connection with their activities involving direct economic development as defined in this section, together with a report of all other expenditures.
 - b) A review of the accomplishments in the area of direct economic development.
 - c) The policies and strategies followed in relation to direct economic development together with any new or proposed changes in said policies and strategy.
 - d) The activities for the budget year together with any proposed change relate to direct economic development.

- e) A review of the activities in areas of endeavor other than direct economic development together with any proposed changes. Accomplishments to date as compared with the overall plan or strategy for direct economic development.
 - f) Anticipated short term challenges during the next reporting period together with recommendations to meet such short term challenges.
 - g) Long term issues to be dealt with over the succeeding twelve-month period or longer period of time, together with recommendations to meet such issues with emphases to be placed on direct economic development.
 - h) A recap of all budgeted expenditures to date together with a recap of budgeted funds left unexpended and any commitment made on said unexpended funds.
11. The Board shall be regularly accountable to the City Council for all activities undertaken by them or on their behalf, and shall report on all activities of the Board, whether discharged directly by the Board or by any person, firm, Municipal Development District, agency, association or other entity on behalf of the Board.
 12. The District shall review and update the Plan each year prior to submission of the annual budget required by other provisions of these Bylaws. The use of Municipal Development Project funds are subject to state law, recommendation of the District Board to the City Council, and approval of the City Council.

ARTICLE VI FISCAL PROVISIONS

SECTION 1. FINANCIAL ADMINISTRATION

The District shall contract with the City for financial and accounting services, and reimburse the City for those services. The District's financing and accounting records shall be maintained according to City guidelines.

SECTION 2. MUNICIPAL DEVELOPMENT PROJECT FUND

The District shall establish by resolution a fund known as the Municipal Development Project Fund. The District may establish separate accounts within the fund. The District shall deposit the proceeds from any sales and use tax imposed by the District, all revenue from the sale of bonds or other obligations by the District, and any other money required by law to be deposited into the Municipal Development Project Fund.

SECTION 3. USE OF MUNICIPAL DEVELOPMENT PROJECT FUND

Subject to a favorable recommendation of the Board and approval by the City Council, the District may use money in the Development Project Fund to:

- a) Pay the cost of planning, acquiring, establishing, developing, constructing, or renovating one or more Development Projects in the District;
- b) Pay the principal of, interest on, and other costs relating to bonds or other obligations issued by the District or to refund bonds or other obligations;

- c) Pay the costs of operating or maintaining one or more Development Projects during the planning, acquisition, establishment, development, construction, or renovation or while bonds or other obligations for the planning, acquisition, establishment, development, construction, or renovation are outstanding; or as otherwise permitted by the Act as it exists or may be amended.

SECTION 4. FISCAL YEAR

The fiscal year of the Municipal Development District shall be the same as City.

SECTION 5. ANNUAL BUDGET

On or before August 1st of each year the Director of Economic Development shall prepare and present a proposed budget of expected revenues and proposed expenditure for the next ensuing fiscal year to the Board. On approval of the proposed budget by the Board the Director of Economic Development shall submit the proposed budget to the City Council for final approval. In submitting the budget to the City Council, the Director of Economic Development shall submit the budget on forms prescribed by the City Administrator and in accordance with the annual budget preparation schedule as set forth by the City Administrator.

SECTION 6. FINANCIAL BOOKS, RECORDS, AUDITS

The City Secretary shall keep and properly maintain, in accordance with generally accepted accounting principles, complete financial books, records, accounts and financial statements pertaining to its funds, activities and affairs. The staff of the district maybe directed by the City Secretary to aid the City Secretary in the keeping of Financial records.

- A. The District shall keep its funds and financial accounts in the same depository institution as the City of Early
- B. The District's financial books, records, accounts, and financial statements shall 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 District.

SECTION 7. INVESTMENT OF DISTRICT FUNDS

- A. All proceeds from loans or from the issuance of bonds, notes or other debt instruments ("Obligations") issued by the District shall be deposited and invested as provided in the resolution, order, indenture or other documents authorizing or relating to their execution or issuance. Any investments or the like made with proceeds from any Obligations must be approved by the City Council.
- B. Subject to the requirements of contracts, loan agreements, indentures or other agreements securing Obligations, all other monies of the District, 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 and approved by City Council.

SECTION 8. BONDS AND OTHER OBLIGATIONS

Subject to the approval of the City Council, the District may issue bonds, including revenue bonds and refunding bonds, or other obligations to pay the costs of a Development Project. The bonds or other obligations and the proceedings authorizing the bonds or other obligations shall be submitted to the Attorney General for review and approval as required by Chapter 1202, Government Code. The bonds or other obligations must be payable from and secured by the revenues of the District. The bonds or other obligations may mature serially or otherwise not more than 30 years from their date of issuance. The bonds or other obligations are not a debt of and do not create a claim for payment against the

revenue or property of the District other than a Development Project for which the bonds are issued.

SECTION 9. EXPENDITURES OF DISTRICT MONEY

- A. The monies of the District including sales and use taxes collected by the District pursuant to the Act, monies derived from rents received from the lease or use of property, the proceeds from the investment of funds of the District, the proceeds from the sale of property and the proceeds derived from the sale of Obligations may be expended by the District for any of the purposes authorized by the Act, and for the assumption of a debt, contingency agreement or other obligation for the benefit of the District.
- B. All purchases and expenditures by the District shall be in accordance with City of Early's Purchasing Policies and Procedures.
- C. All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the District shall be signed or bear the facsimile of the President or such other person as designated by the Board.
- D. No expenditure over five thousand dollars (\$5,000) may be made without the approval of the City Council. On expenditures of more than ten thousand dollars (\$10,000) for projects authorizes under section 505.158 of the Local Government Code, no expenditures may be made until the City Council adopts a resolution authorizing the project after giving the resolution at least two separate readings.
- E. All other proposed expenditures shall be made in accordance with and shall be set forth in the annual budget or follow the appropriate budget adjustment procedure established by state law, the District and the City Council.

SECTION 10. PERFORMANCE AGREEMENTS

Performance agreements shall be executed when District funds are expended, granted, loaned, or awarded on any project not owned by the District or the City of Early.

SECTION 11. FINANCIAL REPORT

A quarterly written report shall be prepared by the Director of Economic Development and the City Secretary and presented by the Director of Economic Development to the City Council.

SECTION 12. CONTRACTS

President of the Board shall execute any contracts or other instruments which the Board has approved and authorized to be executed, provided, however, that the Board may by appropriate resolution, authorize any other officer or officers or any other agent or agents, including the Director of Economic Development, to enter into contracts or execute and deliver any instrument in the name and on behalf of the District. Such authority may be confined to specific instances or defined in general terms. When appropriate, the Board may grant a specific or general power of attorney to carry out some action on behalf of the Board, provided, however, that no such power of attorney may be granted unless an appropriate resolution of the Board authorizes the same to be done.

SECTION 13. UNCOMMITTED FUNDS

Any uncommitted funds of the District at the end of the fiscal year shall be considered a part of the Fund

Balance. The Fund Balance may be committed for any legal purpose provided the District's Board and the City Council both approve such commitment. This may include the establishment of a Permanent Reserve Fund that shall be accumulated for the purpose of using the interest earnings of such fund to finance the operation of the District.

SECTION 14. APPROVAL OR ADVICE AND CONSENT OF THE CITY COUNCIL.

- A. Notwithstanding any provision to the contrary herein, the District shall obtain City Council approval for the following:
 - i. The acceptance of any grant, loan, or gift;
 - ii. The acquisition, selling, leasing, conveying, or otherwise disposing of property or an interest in property;
 - iii. The issuance or payment of any bonds, or other obligations;
 - iv. The employment of any personnel.
- B. To the extent that these Bylaws refer to any approval by the City or by the City Council, that approval shall be evidence by a certified copy of an ordinance, resolution, order, or motion duly adopted by the City Council.

**ARTICLE VII
MISCELLANEOUS PROVISIONS**

SECTION 1. INDEMNIFICATION OF DIRECTORS, OFFICERS AND EMPLOYEES

As provided in the Act, the District is for the purpose 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. The District shall indemnify each and every member of the Board, its officers and its employees, and 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 attorney fees, incurred by any of such person by reason of any actions or omissions that may arise out of the functions and activities of the District. The indemnity shall apply even if one or more of those to be indemnified was negligent or caused or contributed to cause any loss, claim, action or suit. Specifically, it is the intent of these Bylaws and the District to require the District to indemnify those named for indemnification, even for the consequences of the negligence of those indemnified which caused or contributed to cause any liability.

The District shall purchase and maintain insurance on behalf of any Director, Officer, employee or agent of the District, or on behalf of any person serving at the request of the District as a Board member, officer, employee or agent of another District, partnership, joint venture, trust or other enterprise, against any liability asserted against that person and incurred by that person in any such capacity or arising out of any such status with regard to the District, whether or not the District has the power to indemnify that person against liability for any of those acts.

SECTION 2. GIFTS

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

SECTION 3. IMPLIED DUTIES

The District is authorized to take such actions as it may deem reasonable or necessary to accomplish any of the purposes or duties set out in these Bylaws in accordance with the Act and any other applicable law.

SECTION 4. RECOMMENDING BODY

The Board is a recommending body of the City Council.

SECTION 5. CONFLICTS

These Bylaws are subject to statutory law and shall be liberally construed to effectuate their purposes. If any word, phrase, clause, sentence, paragraph, section or other part of these Bylaws, or the application thereof to any person or circumstances, shall ever be held to be invalid or unconstitutional by any court or competent jurisdiction, the remainder of these Bylaws and the application of such word, phrase, clause, sentence, paragraph, section or part of these Bylaws to any other person or circumstance shall not be affected thereby.

ARTICLE VII ETHICS

SECTION 1. ETHICS

It is the policy of the District that Directors and officers conduct themselves in a manner consistent with sound business and ethical practices; that public interest always be considered in conducting District business; and the appearance of impropriety be avoided to ensure and maintain public confidence in the District. Any rules of ethical conduct adopted from time to time by the City shall apply to the District and its Directors.

SECTION 2. CONFLICT OF INTEREST

The members of the Board of Directors shall be considered local public officials within the meaning of Chapter 171 of the Texas Local Government Code. If a Director has a substantial interest, as that term is defined in said Chapter, 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 District stating the nature or extent of the interest. Such affidavit shall be filed prior to any vote or decision upon the matter of the Board of Directors, and if required by said Chapter, the interested Director shall abstain from any vote or decision upon the matter.

SECTION 3. PERSONAL INTEREST

No Director shall have a personal interest in a contract executed by the District other than as an employee, officer, or member of the City Council of the City.

SECTION 4. PERSONAL AND FINANCIAL INTEREST

No current or former board member, with-in 6 months of the end of service, shall be eligible for funds from the district

Section 4 added by resolution 2017-EDR004 June 2017

ARTICLE VIII AMENDMENTS TO BYLAWS

SECTION 1. AMENDMENTS

These Bylaws may be amended or repealed and new Bylaws may be adopted by any affirmative vote of four (4) of the authorized Directors serving on the Board with the approval of the City Council, or at will

by the City Council.

SECTION 2. EFFECTIVE DATE

These Bylaws and any subsequent amendments hereto, shall be effective as of and from the date on which approval has been given by the Board of Directors of the Early Municipal Development District and the Early City Council.

**ARTICLE VIII
REPEAL OF TAX**

SECTION 1. Repeal MDD Tax

On the approval by a majority of the registered voters of the district voting at an election called and held for that purpose this tax maybe changed or repealed. This election must comply with chapter 377 of the Texas Local Government Code and any other applicable law.

**CERTIFICATE OF SECRETARY OF
THE DISTRICT**

I certify that I am the duly elected and acting President of the Early Municipal Development District, and the foregoing Bylaws were duly adopted at a meeting of the Board of Directors held on _____, 2016 and do constitute the Bylaws of the District.

Signed this _____ day of _____, 2016 President of
the District _____

**CERTIFICATE OF THE CITY
SECRETARY OF EARLY, TEXAS**

I certify that I am the duly appointed and acting City Secretary of the City of Early, Texas, and the foregoing Bylaws were duly adopted at City Council meeting held on _____, 2016 and do constitute the Bylaws of the Early Municipal Development District.

Signed this _____ day of _____, 2016 Secretary of
the District _____