

ARTICLES OF INCORPORATION
OF
LAREDO HOUSING FINANCE CORPORATION

FILED
In the Office of the
Secretary of State of Texas

NOV 10 1981

CLERK III
Corporation Division

We, the undersigned natural persons, each of whom is at least eighteen (18) years of age, a citizen of the State of Texas, and a resident of the City of Laredo, Texas, acting as incorporators of a corporation under the Texas Housing Finance Corporations Act, House Bill 1876, 66th Texas Legislature, Regular Session 1979, do hereby adopt the following Articles of Incorporation for such Corporation:

ARTICLE I

The name of the Corporation is LAREDO HOUSING FINANCE CORPORATION.

ARTICLE II

The Corporation is a public non-profit corporation.

ARTICLE III

The duration of the Corporation shall be perpetual.

ARTICLE IV

The Corporation is organized solely to carry out the purposes of the Texas Housing Finance Corporations Act and shall have and possess all powers enumerated

ARTICLE VII

The street address of the initial registered office of the Corporation is 1219 Victoria, Laredo, St. 78040 and the name of the initial registered agent at such address is Frank Leach.

ARTICLE VIII

The number of directors constituting the initial Board of Directors of the Corporation is five (5). The names and addresses of the directors, each of whom resides within the City of Laredo, Texas, are:

<u>NAME</u>	<u>ADDRESS</u>
<u>ALDO TATANGELO</u>	<u>500 Flores, Laredo, Tx. 78040</u>
<u>VIDAL CANTU</u>	<u>5200 North Santa Maria, Laredo, Tx.</u>
<u>L.P. BOTELLO, JR.</u>	<u>7100 North San Bernardo, Laredo, Tx.</u>
<u>RUBEN M. GARCIA</u>	<u>Zapata Highway and Loop 20, Laredo, Tx.</u>
<u>HORACE HALL III</u>	<u>511 Sames-Moore Bldg., 1219 Matamoros Laredo, Texas 78040</u>

ARTICLE IX

The names and street addresses of the incorporators, each of whom resides within the City of Laredo, Texas, are:

<u>ALDO TATANGELO</u>	<u>500 Flores, Laredo, Tx. 78040</u>
<u>HORACE HALL III</u>	<u>511 Sames-Moore Building, 1219 Matamoros Laredo, Texas 78040</u>
<u>L.P. BOTELLO, JR.</u>	<u>7100 North San Bernardo, Laredo, Tx. 78041</u>

ARTICLE X

On September 28, 1981

, the governing body of the City of Laredo.

STATE OF TEXAS I

COUNTY OF WEBB I

BEFORE ME, the undersigned authority, on this day personally appeared Alvin T. Angler, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed and that under oath said person did swear and affirm that all of the statements contained in said instrument were true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 18th day of September, 1981.

[Signature]
Notary Public, State of Texas
Webb County

STATE OF TEXAS I

COUNTY OF WEBB I

BEFORE ME, the undersigned authority, on this day personally appeared H. C. Hall, III, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed and that under oath said person did swear and affirm that all of the statements contained in said instrument were true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE

BYLAWS
OF
LAREDO HOUSING FINANCE CORPORATION

(the "*Corporation*")

ARTICLE I

POWERS AND PURPOSES

Section 1. Status and Purposes. The Corporation is organized as a public instrumentality of the City of Laredo, Texas (the "*City*"). The Corporation is created under and pursuant to, and to effect and carry out, the purposes and powers set forth in the Texas Housing Finance Corporations Act (the "*Act*").

Section 2. Powers, Programs and Activities. The powers, programs and activities of the Corporation shall be as set forth in the Act and the Corporation's Articles of Incorporation, as amended, supplemented and restated (the "*Articles of Incorporation*") and shall be subject to the governance and alteration thereof, as set forth in the Act and in the Articles of Incorporation, by the governing body of the City (the "*City Council*").

ARTICLE II

BOARD OF DIRECTORS

Section 1. Powers, Selection, Number and Term of Office. The property, programs and activities of the Corporation shall be managed and controlled by the Board of Directors and, subject to the restrictions imposed by law, including the Act, the City Council, the Articles of Incorporation and these ByLaws, the Board of Directors shall exercise all powers of the Corporation.

The Board of Directors shall consist of not less than five (5) directors, each of whom shall be at least 18 years of age and a resident of the City. The City Council shall be entitled to elect or appoint members to the Board of Directors in accordance with the provisions of the Articles of Incorporation. Any vacancy occurring in the Board of Directors shall be immediately filled by appointment or election by the City Council. Any director may be removed from office, with or without cause, by the City Council. No director shall be appointed for a term in excess of six (6) years.

Section 2. Regular Meetings. Regular meetings of the Board of Directors shall be held at such times and places as shall be designated, from time to time, by resolution of the Board of Directors and pursuant to the notice requirements hereinafter set forth.

Section 3. Special Meetings. Special meetings of the Board of Directors shall be held whenever called by an officer of the Corporation, by a majority of the directors at the time being in office, or upon request of the City Council.

Section 4. Notice. The officer calling any regular or special meeting shall give written notice to each director by mail, personal delivery or telegraph, at least three (3) business days before the meeting. Whenever any notice is required to be given to any director, a waiver thereof in writing signed by such person(s) entitled thereto (whether signed before or after the time required for such notice) shall be equivalent to the giving of such notice. At any meeting at which every director shall be present, even though without notice, any matter pertaining to the purposes of the Corporation may be considered and acted upon. Unless otherwise indicated in the notice thereof, any and all matters pertaining to the purposes of the Corporation may be considered and acted upon at any regular or special meeting.

Section 5. Manner and Place of Meetings. The directors may hold their meetings at such place or places in or outside the State of Texas as the Board of Directors may from time to time determine, *provided, however,* that in the absence of any such determination by the Board of Directors, the meetings shall be held at the registered office of the Corporation in the State of Texas. The Board of Directors may hold their meetings in any manner permitted by law, including by conference telephone or similar communications equipment by means of which all participants can hear each other.

Section 6. Quorum. A majority of the Board of Directors fixed by these Bylaws and appointed and acting pursuant hereto shall constitute a quorum for the consideration of matters pertaining to the Corporation, but if at any meeting of the Board of Directors there be less than a quorum present, a majority of those present may adjourn the meeting from time to time. The act of a majority of the Board of Directors present at a meeting at which a quorum is in attendance shall constitute the act of the Board of Directors, unless the act of a greater number is required by law, the Articles of Incorporation, or these Bylaws.

Section 7. Conduct of Business. At the meetings of the Board of Directors, matters pertaining to the purposes of the Corporation shall be considered in such order as from time to time the Board of Directors may determine.

At all meetings of the Board of Directors, the President shall preside; in the absence of the President, the Vice President shall preside, and in the absence of both the President and the Vice President, a chairman shall be chosen by the Board of Directors from among the directors present.

The Secretary of the Corporation shall act as secretary of all meetings of the Board of Directors, but in the absence of the Secretary, the presiding officer may appoint any person to act as secretary of the meeting.

Section 8. Executive Committees. The Board of Directors may designate two or more directors to constitute one or more executive committees which committees shall have

and may exercise all of the authority and power of the Board of Directors to deal with matters pertaining to single family and/or multi-family housing programs and to take any and all actions regarding such programs with the sole exception of adopting final bond resolutions, which may be adopted only by the Board of Directors.

Section 9. Compensation of Directors. Directors as such shall not receive any salary or compensation for their services.

ARTICLE III

OFFICERS

Section 1. Titles and Terms of Office. The officers of the Corporation shall be a president, one or more vice presidents, a secretary and a treasurer, and such other officers as the Board of Directors may from time to time elect or appoint. One person may hold more than one office, except that the President shall not hold the office of secretary and vice-versa.

All officers shall be subject to removal, with or without cause, at any time by a vote of a majority of the whole Board of Directors.

A vacancy in the office of any officer shall be filled by a vote of a majority of the Board of Directors.

Section 2. Powers and Duties of the President. The President shall be the chief executive officer of the Corporation and, subject to the Board of Directors, he shall be in general charge of the properties and affairs of the Corporation; he shall preside at all meetings of the Board of Directors; in furtherance of the purpose of this Corporation, he may sign and execute all bonds, deeds, conveyances, franchises, assignments, mortgages, notes, contracts and other obligations in the name of the Corporation.

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

Section 4. Treasurer. The Treasurer shall have custody of all the funds and securities of the Corporation which come into his hands. When necessary or proper, he may endorse on behalf of the Corporation, for collection, checks, notes and other obligations and shall deposit the same to the credit of the Corporation in such bank or depositories as shall be designated in the manner prescribed by the Board of Directors; he may sign all receipts and vouchers for payments made to the Corporation, either alone or jointly with such other officer as is designated by the Board of Directors; whenever required by the Board of Directors, he shall render a statement of his cash account; he shall enter or cause to be

entered regularly in the books of the Corporation to be kept by him for that purpose full and accurate accounts of all monies received and paid out on account of the Corporation; he shall perform all acts incident to the position of treasurer subject to the control of the Board of Directors; he shall, if required by the Board of Directors, give such bond for the faithful discharge of his duties in such form as the Board of Directors may require.

Section 5. Assistant Treasurer. Each assistant treasurer shall have the usual powers and duties pertaining to his office, together with such other powers and duties as may be assigned to him by the Board of Directors.

Assistant treasurer(s) shall exercise the powers of the Treasurer during that officer's absence or inability to act.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors in books provided for that purpose; he shall attend to the giving and serving of all notices; in furtherance of the purposes of this Corporation, he 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; he shall have charge of the corporate books, records, documents and instruments, except the books of account and financial records and securities of which the Treasurer shall have custody and charge, and such other books and papers as the Board of Directors may direct, all of which shall at all reasonable times be open to inspection upon application at the office of the Corporation during business hours, and he shall in general perform all duties incident to the office of secretary subject to the control of the Board of Directors.

Section 7. Assistant Secretaries. Each assistant secretary shall have the usual powers and duties pertaining to his office, together with such other powers and duties as may be assigned to him by the Board of Directors or the Secretary. The Assistant secretaries shall exercise the powers of the Secretary during that officer's absence or inability to act.

Section 8. Compensation. Officers as such shall not receive any salary or compensation for their services.

ARTICLE IV

PROVISIONS REGARDING ARTICLES OF INCORPORATION

AND BYLAWS

Section 1. Effective Date. These Bylaws shall become effective upon their adoption by the Board of Directors of the Corporation.

Section 2. Amendments to Articles of Incorporation and Bylaws. The Articles of Incorporation may at any time and from time to time be amended so as to make any changes therein and to add any provisions thereto which might have been included in the Articles of Incorporation in the first instance pursuant to the provisions of the Act. Any such amendments shall be effected in either of the following manners: (i) the members of the Board of Directors shall file with the City Council an application in writing seeking permission to amend the Articles of Incorporation, specifying in such application the amendment proposed to be made; the City Council shall consider such application and if they shall be appropriate resolutions duly find and determine that it is wise, expedient, necessary or advisable that the proposed amendment be made shall authorize the same to be made, and shall approve the form of the proposed amendment; then the Board of Directors may amend the Articles of Incorporation by adopting such amendment at a meeting of the Board of Directors and delivering same to the Secretary of the State of the State of Texas, or (ii) the City Council may, at its sole discretion, and at any time, alter or change the structure, organization, programs or activities of the Corporation, and may terminate the Corporation, subject to any limitation on the impairment of contracts entered into by the Corporation, by adopting an amendment to the Articles of Incorporation at a meeting of the City Council and delivering the same to the Secretary of the State of Texas. These Bylaws may be altered or amended by affirmative vote of a majority of the directors present at any regular meeting of the Board of Directors, or at any special meeting if notice of the proposed amendment or alteration is contained in the notice of said special meeting.

Section 3. 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 work, 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 circumstances shall not be affected thereby.

ARTICLE V

GENERAL PROVISIONS

Section 1. Principal Office. The principal office of the Corporation shall be located in the City.

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 registered office may be, but need not be, identical with the principal office in the State of Texas, and the address of the registered office may be changed from time to time by the Board of Directors.

Section 2. Fiscal Year. The fiscal year of the Corporation shall be as determined by resolution of the Board of Directors.

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

Section 4. 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, said notice shall be deemed to be sufficient if given by depositing the same in a post office box in a sealed postpaid wrapper addressed to the person entitled thereto at this post office address, as it appears on the books of the Corporation, and such notice shall be deemed to have been given on the day of such mailing. A waiver of notice, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

Section 5. Resignations. Any director or officer may resign at any time. Such resignations shall be made in writing directed to the Board of Directors and the City Council, and shall take effect at the time specified therein, or, if no time be specified, at the time of its receipt by the President or Secretary. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

Section 6. Action Without a Meeting or Directors of Committees. Any action which may be taken at a meeting of the Board of Directors 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.

Section 7. Approval or Other Action of the City Council. To the extent that these Bylaws refer to any approval of the City Council or other action by the City Council, such approval or other action shall be evidenced by a certified copy of resolutions or motions duly adopted by the City Council.

Section 8. Books and Records. The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board of Directors, and committees having any of the authority of the Board of Directors. All books and records of the Corporation may be inspected by any director, or his agent or attorney for any proper purpose at any reasonable time, and may also be inspected by the City Council or the designees thereof.