

**A RESOLUTION APPROVING THE CREATION OF THE NORTH FORT BEND  
REDEVELOPMENT AUTHORITY; APPROVING THE CERTIFICATE OF  
FORMATION AND THE BYLAWS THEREOF; CONFIRMING APPOINTMENT OF  
THE INITIAL DIRECTORS AND CHAIRPERSON; AND CONTAINING FINDINGS  
AND OTHER PROVISIONS RELATING TO THE SUBJECT**

**WHEREAS**, Subchapter D of Chapter 431, Texas Transportation Code (“Chapter 431”), authorizes the creation and organization of public non-profit local government corporations to aid and assist a local government entity in the performance of one or more governmental functions; and

**WHEREAS**, Chapter 431 requires a local government corporation to be created pursuant to the provisions of Chapter 394, Texas Local Government Code (“Chapter 394”), and requires a local government corporation’s certificate of formation and bylaws be in the form and be executed, approved, and filed in the manner prescribed by Chapter 394; and

**WHEREAS**, a local government corporation may have and exercise all of the powers prescribed by Chapter 431 and the Texas Business Organization Code (collectively, the “Acts”); and

**WHEREAS**, Chapter 394 requires as a condition of creation of a local government corporation that at least three (3) residents of the local government entity who are citizens of the state and at least eighteen (18) years of age submit written application for the incorporation of the local government corporation; and

**WHEREAS**, there has been presented to and filed with the Commissioners Court of Fort Bend County (the “County”) an application executed by three (3) residents of the County who meet the requirements of Chapter 394 requesting the incorporation of the North Fort Bend Redevelopment Authority (the “Authority”); and

**WHEREAS**, the Commissioners Court desires to grant the application for incorporation of the Authority, authorize its Certificate of Formation, approve its Bylaws, appoint the board of directors of the Authority, and take other action with respect to the Authority.

**NOW, THEREFORE, BE IT RESOLVED THAT:**

Section 1. The Commissioners Court finds, determines, and declares that the application for the incorporation of the Authority is executed and filed in the manner required by Chapter 394, and the Commissioners Court therefore has the authority to consider and act on the application for incorporation of the Authority.

Section 2. The Commissioners Court hereby finds, determines, recites, and declares that it is wide, expedient, necessary, and advisable that the Authority be formed, the creation and organization of the Authority under the provisions of the Acts and Chapter 394 as a duly constituted authority of the County is hereby approved, and the Authority is hereby authorized to aid and assist the County in the performance of its governmental functions to promote, develop, encourage, and maintain transportation, employment, commerce, and economic development in the County; to promote the common good and

general welfare of the County; and to perform the other purposes described in the Certificate of Formation.

Section 3. The Commissioners Court hereby approves the Certificate of Formation of the Authority in substantially the form attached hereto as Exhibit "A" and authorizes the incorporators of the Authority to file such Certificate of Formation with the Secretary of State of the State of Texas in the manner provided by law.

Section 4. The Commissioners Court hereby approves the Bylaws of the Authority in substantially the form attached hereto as Exhibit "B".

Section 5. The Commissioners Court hereby confirms the appointment of the directors listed in the Certificate of Formation attached hereto.

Section 6. The Commissioners Court hereby confirms the appointment of the person designated at the Director in Position One, as set forth in Article VIII of the Certificate of Formation.

Section 7. The Commissioners Court hereby finds, determines, recites, and declares that any notes, bonds, loans, debts, or other obligations of the Authority shall not be deemed an indebtedness, liability, general or moral obligation, or pledge of the faith or credit of the State of Texas, the County, or any other political subdivision or governmental unit, nor shall any such notes, bonds, loans, debt, or other obligations constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction or any agreement, obligation, or indebtedness of the County or of the State of Texas within the meaning of any constitutional or statutory provision whatsoever.

Section 8. The Commissioners Court hereby finds, determines, recites, and declares that it is the purpose, intent, and desire of the County in approving the creation of the Authority and its Certificate of Formation and Bylaws, that such actions and the authority hereby authorized comply with the requirements of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations and Internal Revenue Service rulings promulgated thereunder and the rulings issued pursuant thereto, such that the Authority shall be deemed to be a constituted authority acting to aid and assist the County pursuant to the provisions of the Acts and Chapter 394 of the Texas Local Government Code.

PASSED AND APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

FORT BEND COUNTY

\_\_\_\_\_  
KP George, County Judge

ATTEST:

\_\_\_\_\_  
Laura Richard, County Clerk

# EXHIBIT A

**CERTIFICATE OF FORMATION**  
**OF**  
**THE NORTH FORT BEND REDEVELOPMENT AUTHORITY**

We, the undersigned natural persons, each of whom is at least eighteen (18) years of age or more, and a resident and a qualified voter of FORT BEND COUNTY, Texas (the "County") and a citizen of the State of Texas, acting as incorporators of a corporation under the provisions of Subchapter D of Chapter 431, Texas Transportation Code (the "Act") do hereby adopt the following Articles of Incorporation for such corporation:

**ARTICLE I**

The name of the corporation is NORTH FORT BEND REDEVELOPMENT AUTHORITY (the "Authority").

**ARTICLE II**

The Authority is a public non-profit corporation.

**ARTICLE III**

The period of duration of the Authority shall be perpetual.

**ARTICLE IV**

The Authority is organized for the purpose of aiding, assisting, and acting on behalf of the County in the performance of its governmental functions to promote the common good and general welfare of the area represented in the attached map (Exhibit 1), also known as the target development area, which area may be expanded from time to time, to promote, develop, encourage and maintain housing, educational facilities, employment, commerce and economic development in the County.

The Authority is further organized to aid, assist and act on behalf of the County:

(a) in the development of the land in the target development area, including road construction;

(b) in the development of a policy to finance development of residential property, educational facilities, commercial property, and park property and open spaces in the target development area; and,

(c) in assisting with or financing any other economic development project or initiative in the target area.

The Authority is formed pursuant to the provisions of the Act as it now or may hereafter be amended from time to time.

The Authority shall have and exercise all of the rights, powers, privileges, authority, and functions given by the general laws of Texas to non-profit corporations incorporated under the Act including, without limitation, Article 1396, Vernon's Texas Civil Statutes.

The Authority shall have all other powers of a like or different nature not prohibited by law which are available to non-profit corporations in Texas and which are necessary or useful to enable the Authority to perform the purposes for which it is created, including the power to issue bonds, notes or other obligations, and otherwise exercise its borrowing power to accomplish the purposes for which it was created, provided that the Authority shall not issue bonds without the consent of the FORT BEND COUNTY COMMISSIONER'S COURT.

The Authority shall have and exercise all the rights and powers, privileges, authority and functions given by the general laws of Texas to non-profit corporations, incorporated under the act, including without limitation Chapter 22, Texas Business Organizations Code.

The Authority is created as a local government corporation pursuant to the Act and shall be a governmental unit within the meaning of Subdivision (2), Section 101.001, Texas Civil Practice and Remedies Code. The operations of the Authority are governmental and not proprietary functions for purposes of the Texas Tort Claims Act, Section 101.001 et seq., Texas Civil Practice and Remedies Code. The Authority shall have the power to acquire land in accordance with the Act as amended from time to time.

#### **ARTICLE V**

The Authority shall have no members and shall have no stock.

#### **ARTICLE VI**

All powers of the Authority shall be vested in a Board consisting of Five (5) persons. The initial directors of the Authority ("Director" or "Directors") shall be those persons named in Article VIII. Each initial Director named in Article VIII hereof shall serve for the term prescribed in the Bylaws. Subsequent Directors shall be appointed by position to the Board as prescribed in the Bylaws. Except as provided in the Articles of Incorporation, each Director shall serve for the term provided in the Bylaws. Any Director may be removed from office at any time, with or without cause, by the FORT BEND COUNTY COMMISSIONER'S COURT.

The Chairperson shall be the same person designated as the Director in Position One, as set forth in Article VIII.

In addition, the Board of Directors of the Authority may designate one or more representatives of either Fort Bend County Municipal Utility District No. 50, or other political subdivisions as ex officio, non-voting members of the Board of Directors.

All other matters pertaining to the internal affairs of the Authority shall be governed by the Bylaws of the Authority, so long as such Bylaws are not inconsistent with these Articles of Incorporation, or the laws of the State of Texas.

## ARTICLE VII

The street address of the initial registered office of the Authority is: 5523 Spellman, Houston, Texas 77096, and the name of its initial registered agent at such address is Bill Calderon.

## ARTICLE VIII

The number of Directors initially constituting the Board is five (5). The names, addresses, and positions of the five (5) initial Directors, each of whom resides within Fort Bend County are as follows:

### Name and Address

Hal Marshall 7735 Shady Way Drive Sugar Land, Texas 77479	Position One
Malcolm Bailey 5818 Beverly Hill, Suite 200 Houston, Texas 77057	Position Two
Rick Harsh 1734 Berkoff Drive Sugar Land, Texas 77479	Position Three
Richard Tate 29102 Walker Lane Richmond, Texas 77406	Position Four
Walter Sass 2707 Autumn Lakes Dr. Katy, Texas 77454	Position Five

## ARTICLE IX

The names and street addresses of the incorporators, each of whom resides within the County are as follows:

Robert B Ferguson, Jr.  
20302 Parker Bend Ln.  
Richmond, Texas 77407

Christopher Corey Ferguson  
718 Santa Maria  
Sugarland 77478

Tammy Huynh  
20606 College Heath Ln  
Richmond, Texas 77407

## **ARTICLE X**

The FORT BEND COUNTY COMMISSIONER'S COURT pursuant to official vote taken on \_\_\_\_\_, 2019, approved the form of these Articles of Incorporation and authorized the Authority to aid and assist the FORT BEND COUNTY to further the public purpose stated in Article IV of these Articles of Incorporation.

## **ARTICLE XI**

No Director shall be liable to the Authority for monetary damages for an act or omission in the Director's capacity as a Director, except for liability (i) for any breach of the Director's duty of loyalty to the Authority, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) for any transaction from which the Director received an improper benefit, whether or not the benefit resulted from an act taken within the scope of the Director's office, or (iv) for acts or omissions for which the liability of a Director is expressly provided by statute. Any repeal or amendment of this Article by the Directors shall be prospective only, and shall not adversely affect any limitation on the personal liability of a Director existing at the time of such repeal or amendment. In addition to the circumstances in which a Director is not personally liable as set forth in the preceding sentences, a Director shall not be liable to the fullest extent permitted by any amendment to the Texas statutes hereafter enacted that further limits the liability of a Director.

## **ARTICLE XII**

In accordance with the provisions of Section 501(c)(3) of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), and regardless of any other provisions of these Articles of Incorporation or the laws of the State of Texas, the Authority: (a) shall not permit any part of the net earnings of the Authority to inure to the benefit of any private individual (except that reasonable compensation may be paid for personal services rendered to or for the Authority in effecting one or more of its purposes); (b) shall not devote more than an insubstantial part of its activities to attempting to influence legislation by propaganda or otherwise; (c) shall not participate in, or intervene in (including the publication or distribution of statements), any political campaign on behalf of any candidate for public office; and (d) shall not attempt to influence the outcome of any election for public office or to carry on, directly or indirectly, any voter registration drives. Any income earned by the Authority after payment of reasonable expenses, debt and establishing a reserve shall accrue to the COUNTY. No part of the Authority's income shall inure to the benefit of any private interests.

The County shall at all times have an unrestricted right to receive any income earned by the Authority, exclusive of amounts need to cover reasonable expenditures and reasonable reserves for future activities.

If the Board of Directors determines by resolution that the purposes for which the Authority was formed have been substantially met and all bonds issued by and all obligations incurred by the Authority have been fully paid, the Board shall execute a certificate of dissolution which states those facts and declares the Authority dissolved in accordance with the requirements of Section 394.026 Texas Local Government Code, or with applicable law then in existence. In the event of dissolution or liquidation of the Authority, all assets will be turned over to the County for disposition, and any revenues deemed surplus shall be deposited into the FORT BEND COUNTY

General Fund.

**ARTICLE XIII**

If the Authority is a private foundation within the meaning of Section 509(a) of the Code, the Authority: (a) shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Code; (b) shall not engage in any act of self-dealing as defined in Section 4941(d) of the Code; (c) shall not retain any excess business holdings as defined in Section 4943(c) of the Code; (d) shall not make any investments in such manner as to subject it to tax under Section 4944 of the Code; and (e) shall not make any taxable expenditures as defined in Section 4945(d) of the Code.

**ARTICLE XIV**

The FORT BEND COUNTY COMMISSIONER’S may at any time consider and approve an order directing the Board to proceed with the dissolution of the Authority, at which time the Board shall proceed with the dissolution of the Authority in accordance with applicable state law. The failure of the Board to proceed with the dissolution of the Authority in accordance with this Section shall be deemed a cause for the removal from office of any or all of the Directors as permitted by Article VI of these Articles of Incorporation.

**ARTICLE XV**

These Articles may not be changed or amended unless approved by the FORT BEND COUNTY COMMISSIONER’S COURT.

IN WITNESS WHEREOF, we have hereunto set our hands this \_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
Robert B. Ferguson, Jr., Incorporator

THE STATE OF TEXAS                    '  
COUNTY OF FORT BEND                '

BEFORE ME, the undersigned authority, on this day personally appeared \_\_\_\_\_, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the \_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
Notary Public in and for  
The State of Texas

(SEAL)



# EXHIBIT B

**BYLAWS**

**OF THE**

**NORTH FORT BEND REDEVELOPMENT AUTHORITY**

A Texas Local Government Corporation

Date of Adoption: \_\_\_\_\_, 2019

TABLE OF CONTENTS

ARTICLE I PURPOSES ..... 1

ARTICLE II BOARD OF DIRECTORS..... 2

    Section 1. Appointment, Classes, Powers, Number, and Term of Office ..... 2

    Section 2. Meetings of Directors ..... 2

    Section 3. Annual Meetings ..... 2

    Section 4. Regular Meetings ..... 2

    Section 5. Special and Emergency Meetings ..... 2

    Section 6. Quorum ..... 3

    Section 7. Conduct of Business ..... 3

    Section 8. Executive Committee, Other Committees ..... 3

    Section 9. Compensation of Directors ..... 4

    Section 10. Board of Advisory Directors ..... 4

    Section 11. Director's Reliance on Consultant Information ..... 4

ARTICLE III OFFICERS ..... 5

    Section 1. Titles and Term of Office ..... 5

    Section 2. Powers and Duties of the Chairperson ..... 5

    Section 3. Powers and Duties of the Vice Chairperson ..... 5

    Section 4. Secretary ..... 5

    Section 5. Compensation ..... 5

    Section 6. Officer's Reliance on Consultant Information ..... 6

ARTICLE IV MISCELLANEOUS PROVISIONS..... 6

    Section 1. Fiscal Year ..... 6

    Section 2. Seal ..... 6

    Section 3. Notice and Waiver of Notice ..... 6

    Section 4. Resignations ..... 6

    Section 5. Gender ..... 6

    Section 6. Appropriations and Grants ..... 6

ARTICLE V INDEMNIFICATION OF DIRECTORS AND OFFICERS ..... 7

    Section 1. Right to Indemnification ..... 7

    Section 2. Advance Payment ..... 7

    Section 3. Indemnification of Employees and Agents ..... 7

    Section 4. Appearance as a Witness ..... 8

    Section 5. Non-exclusivity of Rights ..... 8

    Section 6. Insurance ..... 8

    Section 7. Notification ..... 8

    Section 8. Savings Clause ..... 8

ARTICLE VI PROVISIONS RELATING TO MINORITY CONTRACTING ..... 9

ARTICLE VII CODE OF ETHICS ..... 9

    Section 1. Policy and Purposes ..... 9

    Section 2. Conflicts of Interest ..... 9

    Section 3. Acceptance of Gifts ..... 9

    Section 4. Bribery ..... 10

    Section 5. Nepotism ..... 10

ARTICLE VIII AMENDMENTS ..... 11

## **ARTICLE I**

### **PURPOSES**

The North Fort Bend Redevelopment Authority (the "Authority") is organized for the purpose of aiding, assisting, and acting on behalf of the FORT BEND COUNTY, Texas (the "County") in the performance of its governmental functions to promote the common good and general welfare of the area included in North Fort Bend County and neighboring areas; to promote, develop, encourage and maintain housing, educational facilities, employment, commerce and economic development in the area.

The Authority is further organized to aid, assist and act on behalf of the County;

(a) in the implementation of a development plan for the North Fort Bend County development;

(b) in the financing of public infrastructure costs associated with the development of residential, public and commercial properties in the North Fort Bend County area; and

The Authority is formed pursuant to the provisions of Subchapter D of Chapter 431, Texas Transportation Code (the Act) as it now or may hereafter be amended, which authorizes the Authority to assist and act on behalf of the County and to engage in activities in the furtherance of the purposes for its creation, provided that the Authority shall not be authorized to make or acquire home mortgages, or to make loans to lending institutions, the proceeds of which are to be used to make home mortgages or to make loans on residential developments.

The Authority shall have and exercise all of the rights, powers, privileges, authority, and functions given by the general laws of Texas to non-profit corporations incorporated under the Act including, without limitation, Chapter 22, Texas Business Organizations Code.

The Authority shall have all other powers of a like or different nature not prohibited by law which are available to non-profit corporations in Texas and which are necessary or useful to enable the Authority to perform the purposes for which it is created, including the power to issue bonds, notes or other obligations, and otherwise exercise its borrowing power to accomplish the purposes for which it was created, provided that the Authority shall not issue bonds without the consent of the Fort Bend County Commissioner's Court.

The Authority is created as a local government corporation pursuant to the Act and shall be a governmental unit within the meaning of Subdivision (2), Section 101.001, Texas Civil Practice and Remedies Code. The operations of the Authority are governmental and not proprietary functions for purposes of the Texas Tort Claims Act, Section 101.001 et seq., Texas Civil Practice and Remedies Code. The Authority shall have the power to acquire land in accordance with the Act as amended from time to time.

## ARTICLE II

### BOARD OF DIRECTORS

*Section 1. Appointment, Classes, Powers, Number, and Term of Office.* All powers of the Authority shall be vested in the Board of Directors (the "Board"). The Board shall initially consist of five (5) persons.

Each Director shall be appointed by numbered position (1 through 5) and shall serve for a term which expires on the date set forth below for the position to which such person was appointed, or until his or her successor is appointed by the County unless such Director has been appointed to fill an unexpired term in which case the term of the Director shall expire on the expiration date of the term of the Director whose position he or she was appointed to fill. Any Director may be removed from office at any time, with or without cause, by the Fort Bend County Commissioners Court. The number of Directors may only be increased or decreased by an amendment to the Bylaws with the consent of the Fort Bend County Commissioners Court.

*Section 2. Meetings of Directors.* The Directors may hold their meetings and may have an office and keep the books of the Authority at such place or places within or outside the County, as the Board may from time to time determine; provided, however, in the absence of any such determination, such place shall be the registered office of the Authority in the State of Texas.

The Board shall meet in accordance with and file notice of each meeting of the Board for the same length of time and in the same manner and location as is required of a County under Chapter 551, Government Code (the "Open Meetings Act").

The Authority, the Board, and any committee of the Board exercising the powers of the Board are subject to Chapter 552, Government Code (the "Open Records Act").

*Section 3. Annual Meetings.* The annual meeting of the Board shall be held at the time and at the location designated by the resolution of the Board for the purposes of transacting such business as may be brought before the meeting.

*Section 4. Regular Meetings.* Regular meetings of the Board shall be held at such times and places as shall be designated, from time to time, by resolution of the Board.

*Section 5. Special and Emergency Meetings.* Special and emergency meetings of the Board shall be held whenever called by the Chairperson of the Board or the Secretary or by a majority of the Directors who are serving duly appointed terms of office at the time the meeting is called.

The Secretary shall give notice of each special meeting in person, by telephone, fax, mail or telegraph at least three 72 hours before the meeting to each Director and to the public in

compliance with the Open Meetings Act. Notice of each emergency meeting shall also be given in the manner required of the County under Section 551.045 of the Open Meetings Act. Unless otherwise indicated in the notice thereof, any and all matters pertaining to the purposes of the Authority may be considered and acted upon at a special or emergency meeting. At any meeting at which every Director shall be present, even though without any notice, any matter pertaining to the purposes of the Authority may be considered and acted upon to the extent allowed by the Open Meetings Act.

*Section 6. Quorum.* A majority of the appointed positions of the Board shall constitute a quorum for the consideration of matters pertaining to the purposes of the Authority. If at any meeting of the Board there is 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 Directors present and voting at a meeting at which a quorum is in attendance shall constitute the act of the Board, unless the act of a greater number is required by law, by the Articles of Incorporation, or by these Bylaws.

A Director who is present at a meeting of the Board at which any corporate action is taken shall be presumed to have assented to such action unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Authority immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of the action.

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

At all meetings of the Board, the Chairperson shall preside, and in the absence of the Chairperson, the Vice Chairperson shall preside. In the absence of the Chairperson and the Vice Chairperson, a chairperson shall be chosen by the Board from among the Directors present.

The Secretary of the Authority 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.

*Section 8. Executive Committee, Other Committees.* The Board may, by resolution passed by a majority of the Directors, designate three (3) or more Directors to constitute an executive committee or other type of committee. To the extent provided in the authorizing resolution, a committee shall have and may exercise all of the authority of the Board in the management of the Authority, except where action of the Board is specified by statute. A committee shall act in the manner provided in the authorizing resolution. 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 office of the Authority, and shall report the same to the Board from time to time. Committees authorized to exercise the powers of the Board shall give notice of any meeting in the manner required for a meeting of the Board.

*Section 9. Compensation of Directors.* Directors, may receive a salary or compensation for their services as Directors; provided, compensation is not excessive and which is at commercially reasonable rates for personal services (rendered in other than a "Director" capacity) which are reasonable and necessary in carrying out the Authority's purposes.

*Section 10. Board of Advisory Directors.* The Board may establish a Board of Advisory Directors composed of members who are, in the judgment of the Board, qualified to advise with respect to the activities of the Authority. Members of the Board of Advisory Directors shall serve for a term of one (1) year or such longer term as may be fixed by the Board, not to exceed four (4) years. Advisory Directors may be removed by the Board at any time with or without cause. The number of members of the Board of Advisory Directors shall be fixed from time to time by the Board. The officers and Directors of the Authority may consult with the Board of Advisory Directors from time to time with respect to the activities of the Authority but the Board of Advisory Directors shall in no way restrict the powers of the Board nor limit its responsibilities or obligations. The Board of Advisory Directors shall have no responsibility for the management of the affairs of the Authority. Advisory Directors shall not receive any salary or compensation for their services as Advisory Directors; provided, that nothing contained herein shall be construed to preclude any Advisory Director from receiving compensation which is not excessive and which is at commercially reasonable rates for personal services (rendered in other than an "Advisory Director" Capacity) which are reasonable and necessary in carrying out the Authority's purposes.

*Section 11. Director's Reliance on Consultant Information.* A Director shall not be liable if while acting in good faith and with ordinary care, he relies on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Authority or another person, that were prepared or presented by:

- (a) one or more other officers or employees of the Authority;
- (b) legal counsel, public accountants, or other persons as to matters the officer reasonably believes are within the person's professional or expert competence; or
- (c) a committee of the Board of which the Director is not a member.

## ARTICLE III

### OFFICERS

*Section 1. Titles and Term of Office.* The officers of the Authority shall be a chairperson of the Board, one or more vice chairpersons of the Board, a secretary, a treasurer, and such other officers as the Board may from time to time elect or appoint. One person may hold more than one office, except that the Chairperson of the Board shall not hold the office of Secretary. The term of office for each officer shall be two (2) years commencing with the date of the annual meeting of the Board at which each such officer is elected.

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

A vacancy in the office of any officer shall be filled by the Board.

*Section 2. Powers and Duties of the Chairperson.* The Chairperson shall be the Director in position No. 1, and is a member of the Board and shall preside at all meetings of the Board. He or she shall have such duties as are assigned by the Board. The Chairperson may call special or emergency meetings of the Board.

*Section 3. Powers and Duties of the Vice Chairperson.* The Vice Chairperson shall be a member of the Board. The Vice Chairperson shall perform the duties and exercise the powers of the Chairperson upon the Chairperson's death, absence, disability, or resignation, or upon the Chairperson's inability to perform the duties of his or her office. Any action taken by the Vice Chairperson in the performance of the duties of the Chairperson shall be conclusive evidence of the absence or inability to act of the Chairperson at the time such action was taken.

*Section 4. Secretary.* The Secretary shall keep the minutes of all meetings of the Board in books provided for that purpose; he or she shall attend to the giving and serving of all notices; in furtherance of the purposes of the Authority and subject to the limitations contained in the Certificate of Formation, he or she may sign with the Chairperson in the name of the Authority and/or attest the signatures thereof, all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments of the Authority; he or she shall have charge of the Authority's books, records, documents and instruments, and such other books and papers as the Board may direct, all of which shall at all reasonable times be open to the inspection of any Director upon application at the office of the Authority during business hours; and, he or she shall in general perform all duties incident to the office of Secretary subject to the control of the Board.

*Section 5. Compensation.* Board members, in their capacity as officers, are entitled to compensation except as otherwise provided in Article II, Section 9.

*Section 6. Officer's Reliance on Consultant Information.* In the discharge of a duty imposed or power conferred on an officer of the Authority, the officer may in good faith and with ordinary care rely on information, opinions, reports, or statements, including financial statements

and other financial data, concerning the Authority or another person, that were prepared or presented by:

(a) one or more other officers or employees of the Authority, including members of the Board; or

(b) legal counsel, public accountants, or other persons as to matters the officer reasonably believes are within the person's professional or expert competence.

## ARTICLE IV

### MISCELLANEOUS PROVISIONS

*Section 1. Fiscal Year.* The fiscal year of the Authority shall begin January 1 of each year.

*Section 2. Seal.* The seal of the Authority shall be such as from time to time may be approved by the Board.

*Section 3. Notice and Waiver of Notice.* Whenever any notice other than public notice of a meeting given to comply with the Open Meetings Act, is required to be given under the provisions of these Bylaws, such 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 his or her post office address, as it appears on the books of the Authority, 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 thereto.

*Section 4. Resignations.* Any Director, officer or Advisory Director may resign at any time. Such resignations shall be made in writing and shall take effect at the time specified therein, or, if no time be specified, at the time of its receipt by the Chairperson or Secretary. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation. The Board may appoint Directors to unexpired terms.

*Section 5. Gender.* References herein to the masculine gender shall also refer to the feminine in all appropriate cases and vice versa.

*Section 6. Appropriations and Grants.* The Authority shall have the power to request and accept any appropriation, grant, contribution, donation, or other form of aid from the federal government, the State, any political subdivision, or municipality in the State, or from any other source.

## ARTICLE V

### INDEMNIFICATION OF DIRECTORS AND OFFICERS

*Section 1. Right to Indemnification.* Subject to the limitations and conditions as provided in this Article V and the Articles of Incorporation, each person who was or is made a party or is threatened to be made a party to or is involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative or investigative (hereinafter a "proceeding"), or any appeal in such a proceeding or any inquiry or investigation that could lead to such a proceeding, by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was a Director or officer of the Authority or while a Director or officer of the Authority is or was serving at the request of the Authority as a director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise shall be indemnified by the Authority to the fullest extent permitted by the Texas Non-Profit Corporation Act, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Authority to provide broader indemnification rights than said law permitted the Authority to provide prior to such amendment) against judgments, penalties (including excise and similar taxes and punitive damages), fines, settlements and reasonable expenses (including, without limitation, attorneys' fees) actually incurred by such person in connection with such proceeding, and indemnification under this Article V shall continue as to a person who has ceased to serve in the capacity which initially entitled such person to indemnity hereunder. The rights granted pursuant to this Article V shall be deemed contract rights, and no amendment, modification or repeal of this Article V shall have the effect of limiting or denying any such rights with respect to actions taken or proceedings arising prior to any such amendment, modification or repeal. It is expressly acknowledged that the indemnification provided in this Article V could involve indemnification for negligence or under theories of strict liability.

*Section 2. Advance Payment.* The right to indemnification conferred in this Article V shall include the right to be paid in advance or reimbursed by the Authority the reasonable expenses incurred by a person of the type entitled to be indemnified under Section 1 who was, is or is threatened to be made a named defendant or respondent in a proceeding in advance of the final disposition of the proceeding and without any determination as to the person's ultimate entitlement to indemnification; provided, however, that the payment of such expenses incurred by any such person in advance of the final disposition of a proceeding, shall be made only upon delivery to the Authority of a written affirmation by such Director or officer of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification under this Article V and a written undertaking, by or on behalf of such person, to repay all amounts so advanced if it shall ultimately be determined that such indemnified person is not entitled to be indemnified under this Article V or otherwise.

*Section 3. Indemnification of Employees and Agents.* The Authority, by adoption of a

resolution of the Board, may indemnify and advance expenses to an employee or agent of the Authority to the same extent and subject to the same conditions under which it may indemnify and advance expenses to Directors and officers under this Article V; and the Authority may indemnify and advance expenses to persons who are not or were not Directors, officers, employees or agents of the Authority but who are or were serving at the request of the Authority as a Director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise against any liability asserted against him or her and incurred by him or her in such a capacity or arising out of his or her status as such a person to the same extent that it may indemnify and advance expenses to Directors under this Article V.

*Section 4. Appearance as a Witness.* Notwithstanding any other provision of this Article V, the Authority may pay or reimburse expenses incurred by a Director or officer in connection with his or her appearance as a witness or other participation in a proceeding involving the Authority or its business at a time when he or she is not a named defendant or respondent in the proceeding.

*Section 5. Non-exclusivity of Rights.* The right to indemnification and the advancement and payment of expenses conferred in this Article V shall not be exclusive of any other right which a Director or officer or other person indemnified pursuant to Section 3 of this Article V may have or hereafter acquire under any law (common or statutory), provision of the Articles of Incorporation of the Authority or these Bylaws, agreement, vote of shareholders or disinterested Directors or otherwise.

*Section 6. Insurance.* The Authority may purchase and maintain insurance, at its expense, to protect itself and any person who is or was serving as a Director, officer, employee or agent of the Authority or is or was serving at the request of the Authority as a Director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, proprietorship, employee benefit plan, trust or other enterprise against any expense, liability or loss, whether or not the Authority would have the power to indemnify such person against such expense, liability or loss under this Article V.

*Section 7. Notification.* Any indemnification of or advance of expenses to a Director or officer in accordance with this Article V shall be reported in writing to the members of the Board with or before the notice of the next regular meeting of the Board and, in any case, within the 12-month period immediately following the date of the indemnification or advance.

*Section 8. Savings Clause.* If this Article V or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Authority shall nevertheless indemnify and hold harmless each Director, officer or any other person indemnified pursuant to this Article V as to costs, charges and expenses (including attorneys' fees), judgments, fines and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative, to the full extent permitted by any applicable portion of this Article V that shall not have been invalidated and to the fullest extent permitted by applicable law.

## **ARTICLE VI**

### **PROVISIONS RELATING TO MINORITY CONTRACTING**

The Authority shall attempt to stimulate the growth of disadvantaged businesses inside the County by encouraging the full participation of disadvantaged businesses in all phases of its procurement activities and affording those disadvantaged businesses a full and fair opportunity to compete for Authority contracts. The Authority shall establish one or more programs designed to increase participation by disadvantaged businesses in contract awards which will conform to County approved programs. Any program established by the Authority shall provide that disadvantaged businesses certified by the County shall be the disadvantaged businesses certified for Authority contracts.

## **ARTICLE VII**

### **CODE OF ETHICS**

#### *Section 1. Policy and Purposes.*

(a) It is the policy of the Authority 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 Authority; and that the Board establish policies to control and manage the affairs of the Authority fairly, impartially, and without discrimination.

(b) This Code of Ethics has been adopted as part of the Authority's Bylaws for the following purposes: (a) to encourage high ethical standards in official conduct by Directors and corporate officers; and (b) to establish guidelines for such ethical standards of conduct.

#### *Section 2. Conflicts of Interest.*

(a) A Director shall comply with Chapter 176, Texas Local Government Code with respect to conflict of interest.

(b) An employee of a public entity may serve on the Board.

*Section 3. Acceptance of Gifts.* No Director or officer shall accept any benefit as consideration for any decision, opinion, recommendation, vote or other exercise of discretion in carrying out official acts for the Authority. No Director or officer shall solicit, accept, or agree to accept any benefit from a person known to be interested in or likely to become interested in any contract, purchase, payment, claim or transaction involving the exercise of the Director's or officer's discretion. As used here, "benefit" does not include:

(a) a fee prescribed by law to be received by a Director or officer or any other benefit to which the Director or officer is lawfully entitled or for which he gives legitimate consideration in a capacity other than as a Director or officer;

(b) a gift or other benefit conferred on account of kinship or a personal, professional, or business relationship independent of the official status of the Director or officer;

(c) an honorarium in consideration for legitimate services rendered above and beyond official duties and responsibilities if:

(1) not more than one honorarium is received from the same person in a calendar year;

(2) not more than one honorarium is received for the same service; and

(3) the value of the honorarium does not exceed \$250 exclusive of reimbursement for travel, food, and lodging expenses incurred by the Director or officer in performance of the services;

(d) a benefit consisting of food, lodging, transportation, or entertainment accepted as a guest is reported as may be required by law.

*Section 4. Bribery.* A Director or officer shall not intentionally or knowingly offer, confer or agree to confer on another, or solicit, accept, or agree to accept from another:

(a) any benefit as consideration for the Director's or officer's decision, opinion, recommendation, vote, or other exercise of discretion as a Director or officer;

(b) any benefit as consideration for the Director's or officer's decision, vote, recommendation, or other exercise of official discretion in a judicial or administrative proceeding;  
or

(c) any benefit as consideration for a violation of a duty imposed by law on the Director or officer.

*Section 5. Nepotism.* No Director or officer shall appoint, or vote for, or confirm the appointment to any office, position, clerkship, employment or duty, of any person related within the second degree by affinity (marriage relationship) or within the third degree of consanguinity (blood relationship) to the Director or officer so appointing, voting or confirming, or to any other Director or officer. This provision shall not prevent the appointment, voting for, or confirmation of any person who shall have been continuously employed in any such office, position, clerkship, employment or duty at least thirty (30) days prior to the appointment of the Director or officer so appointing or voting.

## **ARTICLE VIII**

### **AMENDMENTS**

A proposal to alter, amend, or repeal these Bylaws shall be made by the affirmative vote of a majority of the full Board at any annual or regular meeting, or at any special meeting if notice of the proposed amendment be contained in the notice of said special meeting. However, any proposed change or amendment to the Bylaws must be approved by the Fort Bend County Commissioners Court to be considered effective.