NOTICE OF MEETING
CITY COUNCIL OF THE CITY OF GALVESTON
THURSDAY - FEBRUARY 27, 2020 - 9:00 A.M.
ROOM 204 - CITY HALL
823 ROSENBERG, GALVESTON, TEXAS
TELEPHONE: (409) 797-3510

DRAFT WORKSHOP AGENDA

1. DECLARATION OF A QUORUM AND CALL MEETING TO ORDER

2. ROLL CALL

3. DISCUSSION ITEMS

3.A. Clarification Of Consent And Regular City Council Agenda Items - This Is An Opportunity For City Council To Ask Questions Of Staff On Consent And Regular Agenda Items. (30 Minutes)

3.B. Beach Access Plan Update To Council (D. Henry - 1 Hour)

Documents:

2020-02-27 - BEACH ACCESS UPDATE TO COUNCIL.PDF

3.C. Discuss Proposed Amendments To The Bylaws And Articles Of Incorporation For The Following: (Yarbrough - 1 Hour)

1. Industrial Development Corporation
2. Galveston Island Redevelopment Authority
3. Galveston Housing Finance Corporation/Galveston Property Finance Authority

Documents:

IDC BYLAWS.PDF
IDC ARTICLES OF INCORPORATION.PDF
ORD - 20-003 - 01_23_2020 - AMENDED AND RESTATED BY LAWS OF THE RDA.PDF

3.D. Report Of City Council's Park Board Representative (Collins/Yarbrough - 10 Minutes)

4. ADJOURNMENT

I certify that the above Notice of Meeting was posted in a place convenient to the public in compliance with Chapter 551 of the Texas Government Code on 2020 at P.M.

Janelle Williams, City Secretary

IN ACCORDANCE WITH THE PROVISIONS OF THE AMERICANS WITH DISABILITIES ACT (ADA), PERSONS IN NEED OF A SPECIAL ACCOMMODATION TO PARTICIPATE IN THIS PROCEEDING SHALL, WITHIN THREE (3) DAYS PRIOR TO ANY PROCEEDING, CONTACT THE CITY SECRETARY'S OFFICE, SUITE 201, 823 ROSENBERG, GALVESTON, TEXAS 77550 (409-797-3510).

City of Galveston Beach Access Plan - Updates

City Council Workshop

February 27, 2020

Summary/Timeline

January 24, 2019 – Council adopted Ordinance 19-012, amending Beach Access Plan to incorporate new fee schedule for Beach User Fee (BUF) for parking at Seawall Beach Urban Park.

February 12, 2019 – Ordinance 19-012 submitted to GLO for their review and consideration of certification.

March 26, 2019 – GLO responds, requesting additional information from the City regarding the proposed BUF, and submits an inventory identifying 16 Beach Access Points they find are non-compliant with the City's existing Beach Access Plan.

July 25, 2019 – Ad Hoc Committee Completes and presents their recommendations to Council.

August 20, 2019 – City receives memo from GLO outlining additional Beach Access Points (a new total of 33) they find are non-compliant.

Summary/Timeline

September 13, 2019 – City responds to August memo with additional information about the proposed Beach User Fee, and an implementation plan to respond to the GLO's non-compliant assessment of 33 beach access points.

November 18, 2019 – letters sent out to POAs of areas where non-compliance issues exist.

November 20, 2019 – Meeting between City and GLO staff in Austin to discuss the proposal for free/paid parking spaces along Seawall Blvd, the City's response to additional information regarding the proposed BUF, and the City's implementation plan response to the GLO's non-compliant assessment.

December 2019 – staff begins holding meetings with POAs RE: non-compliance.

January 2020 – staff institutes bi-monthly reporting to GLO on non-compliance progress.

Summary of Non-Compliance Issues

Most common issues:

- Verify number of required parking spaces is provided

- Install Signage identifying
  - location of public beach parking areas
  - public walkovers/paths to the beach

- Install/Rebuild public walkovers/paths to the beach

Summary of Non-Compliance Issues

Other Issues:

- Remove gate obstructing access to beach (Beachside Village - AP-8)
- Remove unpermitted dune walkovers that obstruct access to beach (Bermuda Beach, AP-12)
- Remove ‘No Parking’ Signs (Pirates’ Beach - AP-15A, Palm Beach - AP-15B)
- Install Correct “Seasonal Access” signage on beach (Bay Harbor - AP-33, Miramar - AP-34)
- Restore Access to Pocket Parks #3 and #4 (AP-13, AP-32)
- Verify Access Point is Accessible to Public (Salt Cedar Ave - AP-36, San Luis Pass - AP-41)

Summary of Non-Compliance Issues

Non-Compliance Issue	Original Finding	Current Situation
Verify # of Parking Spaces	**24**	**18** found to have sufficient parking. **6** are pending solutions for sufficient # of parking spaces.
Install Signage for Parking	**20**	**3** Complete **1** pending GLO approval. **16** pending signage, per signage master plan (under development).
Install Signage for Walkover/Path	**20**	**1** pending GLO approval. **19** pending signage, per signage master plan (under development).
Install or Rebuild Walkover/Path	**7**	**1** pending approval of funding for County (Pocket Park #2). **6** pending solution from POA.
Other Issues	**10**	**7** complete/addressed. **3** pending: Removal of unpermitted walkovers at Bermuda Beach (AP-12), Reconstruction of Pocket Parks #3 (AP-13) and #4 (AP-14)

Update on Non-Compliance Issues

Next Steps:

- Developing GIS-based Signage Master Plan for all Access Points.
- Continue Meeting/Follow-up with Property Owners' Associations regarding parking shortfalls and re-building of public walkovers/paths to the beach.
- Develop and Implement plan to replace parking spaces lost to Seawall Improvements.
- Coordinate with other Partners to Develop plans and identify funding sources for Pocket Parks #3 and #4.

Seawall Beach User Fee (BUF)

GLO has asked for additional information about the proposed Beach User Fee for Seawall Beach Urban Park, including:

- More substantial list of short-term and long-term goals to be accomplished
- More detailed analysis of cost of providing services and facilities.
- Budgetary analysis including revenue projections.

Most recent feedback from GLO received February 10, 2020.

Staff is drafting a response and supporting materials.

Beach/Dune Ad Hoc Committee Recommendations

Ad Hoc Committee Recommendations

Committee wrapped-up recommendations and presented to City Council on July 25, 2019.

Recommendation were made on:

- Beach Access Plan
- Dune Protection Standards
- Beach Maintenance Standards

Link to recommendations on City website.

Ad Hoc Committee Recommendations

Beach Access Plan

- Substantial majority of committee's recommendations are pertaining to existing non-compliance issues (i.e. signage needed, rebuilding Pocket Parks, walkovers, off-beach parking areas)

- Recommendations for 24 of the 41 Access Points require an amendment to the City's Plan before they can be implemented, and may require additional review by staff and an informal review by the GLO before a staff recommendation can be made.

- Other recommendations will require additional vetting by other agencies/stakeholders (e.g. build highway pedestrian crossings, acquire land, hire coastal engineering consultant to study drainage issues)

Ad Hoc Committee Recommendations

Dune Protection Standards

- Of the 12 recommendations, 11 would require an amendment to the City's Plan.

- Many of these recommendations represent substantial changes to policy that warrant additional study to better understand implications before they are adopted (e.g. possible regulatory takings).

Ad Hoc Committee Recommendations

Beach Maintenance Standards

- Topic was discussed at January 23, 2020 Council Workshop.

- Staff finds a substantial majority of these recommendations fall under existing state and local rules/ordinances and can be implemented without any Plan change.

- Some recommendations fall outside the purpose/intent of the Dune Protection Act and the Open Beaches Act. May require additional review by staff and discussion with Council (e.g. prohibiting the disturbance of wildlife, requiring wildlife monitors).

Ad Hoc Committee Recommendations

Next Steps:

After substantial efforts have been made to address Beach Access Non-Compliance Issues:

Beach Access Plan and **Dune Protection Standards**

- Staff to evaluate and study possible implications of implementation of Committee Recommendations, develop staff recommendations and implementation timeline, and present to Council.

Beach Maintenance Standards

- Receive Direction from Council on how to Proceed with Recommendations that are not related to Beach Access or Dune Protection.

BYLAWS

OF

INDUSTRIAL DEVELOPMENT CORPORATION

OF THE CITY OF GALVESTON

A Texas Non-profit Corporation

Date → Date of Adoption: _____

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INDUSTRIAL DEVELOPMENT CORPORATION
OF THE CITY OF GALVESTON
A Texas Non-profit Corporation

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BYLAWS

OF

INDUSTRIAL DEVELOPMENT CORPORATION OF THE CITY OF GALVESTON

ARTICLE I

PURPOSES

Industrial Development Corporation (of the City of Galveston the "Corporation") is organized for the purpose of aiding, assisting, and acting on behalf of the City of Galveston, Texas (the "City") to promote the common good and general welfare of the City; and to promote, develop, encourage and maintain employment, commerce and economic development in the City.

The Corporation is further organized to establish, acquire, lease as lessee or lessor, purchase, construct, improve, enlarge, equip, repair, operate or maintain (any or all) improvements necessary or desirable to the promotion, development and maintenance of employment, commerce and economic development, including (1) those types of projects authorized by Article 5190.6, Section 4B, Vernon's Texas Civil Statutes, including the prosecution and completion of the beach renourishment project between 10th and 61st Streets and street and drainage improvements projects.

West of 61st Street ??

The Corporation is formed pursuant to the provisions of Article 5190.6, Section 4B, Vernon's Texas Civil Statutes (the "Act") which authorizes the Corporation to assist and act on behalf of the City and to engage in activities in the furtherance of the purposes for its creation and to issue bonds on behalf of the City.

The Corporation 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 1396-1.01, et seq., Vernon's Texas Civil Statutes.

The Corporation 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 Corporation 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.

Language requiring City Council approval

The Corporation 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, Civil Practice and Remedies Code. The operations of the Corporation are governmental and not proprietary functions for purposes of the Texas Tort Claims Act, Section 101.001 et seq., Civil Practice and Remedies Code.

ARTICLE II

BOARD OF DIRECTORS

Designated slots for Council members -??

Section 1. Appointment, Classes, Powers, Number, and Term of Office. All powers of the Corporation shall be vested in a Board consisting of seven (7) persons. Directors of the Corporation ("Director" or "Directors") shall be appointed by position to the Board. Each initial Director shall serve for the term expiring on the date set forth in the Articles of Incorporation. Subsequent Directors shall be appointed by the City Council of the City. Each subsequent Director shall serve for a term of two (2) years or until his or her successor is appointed by the City 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

Term Limits 6YRS

3YR Terms?

cause, by the City Council. The number of Directors may only be increased or decreased by an amendment to the Articles of Incorporation as allowed by amendments to the Act.

Board members for each of the following positions shall have experience in the area indicated or hold the position specified below:

(1) Position 1 -

(2) Position 2 -

(3) Position 3 -

(4) Position 4 -

(5) Position 5 -

(6) Position 6 -

(7) Position 7 -

To be qualified to serve as a Director, a person must be a resident of the City and be at least 18 years old.

Meetings @ City Hall per City Ord ?

Section 2. *Meetings of Directors.* The Directors may hold their meetings and may have an office and keep the books of the Corporation at such place or places within the City 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 Corporation 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 City under Subsection (f) of Section 3A of the Texas Open Meetings Act, Chapter 271, Acts of the 60th Legislature, Regular Session, 1967, as amended (Vernon's Texas Codes Annotated, the "Open Meetings Act").

The Corporation, the Board, and any committee of the Board exercising the powers of the Board are subject to the Texas Open Records Act, Chapter 424, Acts of the 63rd Legislature, Regular Session, 1973, as amended (Vernon's Texas Codes Annotated).

July each yr ?

Section 3. *Annual Meetings.* The annual meeting of the Board shall be held at the location in the City designated by the resolution of the Board on the _____ in _____ of each year, at ____ o'clock __.m., if not a legal holiday, and, if a legal holiday, then on the next succeeding business day, 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.

Chair or 2 members

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.

City Sec.?

The Secretary shall give notice of each special meeting in person, by telephone, FAX, mail or telegraph at least three (3) days before the meeting to each Director. Notice of each emergency meeting shall also be given in the manner required of the City under Section 551.045, et seq., Texas Government Code, of the Open Meetings Act. 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 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 Corporation may be considered and acted upon to the extent allowed by the Open Meetings Act.

should require - as does Council

Section 6. *Quorum.* A majority of the entire membership of the Board shall constitute a quorum for the consideration of matters pertaining to the purposes of the Corporation. 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.

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

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

Don't like

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

Do we need this provision ??

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 Corporation. 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 Corporation may consult with the Board of Advisory Directors from time to time with respect to the activities of the Corporation 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 Corporation. 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 Corporation's purposes.

ARTICLE III

OFFICERS

other sections refer to chair vice chair

Section 1. *Titles and Term of Office.* The officers of the Corporation shall be a president, one or more vice presidents, 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 neither the Chairperson of the Board nor the President shall hold the office of Secretary. The term of office for each officer shall be one (1) year commencing with the date of the annual meeting of the Board at which each such officer is elected.

> Don't have to be board members - Treasurer

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.

Chairperson?

Section 2. *Powers and Duties of the President.* The President shall be 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 President may call special or emergency meetings of the Board.

The President shall be the principal executive officer of the Corporation and, subject to the Board, he or she shall be in general charge of the properties and affairs of the Corporation. In furtherance of the purposes of the Corporation and subject to the limitations contained in the Articles of Incorporation, the President, Chairperson, or Vice Chairperson may sign and execute all bonds, notes, deeds, conveyances, franchises, assignments, mortgages, notes, contracts and other obligations in the name of the Corporation.

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

A Vice President shall have such powers and duties as may be assigned to him or her by the Board or the President, including the performance of the duties of the President upon the death, absence, disability, or resignation of the President, or upon the President's inability to perform the duties of his or her office. Any action taken by the Vice President in the performance of the duties of the President shall be conclusive evidence of the absence or inability to act of the President at the time such action was taken.

Not required to be Board Member

Section 4. *Treasurer.* The Treasurer shall have custody of all the funds and securities of the Corporation which come into his or her hands. When necessary or proper, he or she 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 banks or depositories as shall be designated in the manner prescribed by the Board; he or she 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; whenever required by the Board, he or she shall render a statement of his or her case account; he or she shall enter or cause to be entered regularly in the books of the Corporation to be kept by him or her for that purpose full and accurate accounts of all moneys received and paid out on account of the Corporation; he or she shall perform all acts incident to the position of Treasurer subject to the control of the Board; and he or she shall, if required by the Board, give such bond for the faithful discharge of his or her duties in such form as the Board may require.

Board member?

Section 5. *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 Corporation and subject to the limitations contained in the Articles of Incorporation, he or she may sign with the President in the name of the Corporation and/or attest the signatures thereof, all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments of the Corporation; he or she shall have charge of the Corporation's 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 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 Corporation 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.

ARTICLE IV

MISCELLANEOUS PROVISIONS

Section 1. *Fiscal Year.* The fiscal year of the Corporation shall be as determined by the Board.

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

Section 3. *Notice and Waiver of Notice.* Whenever any notice whatever 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 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 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 President or Secretary. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

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

Section 6. *Appropriations and Grants.* The Corporation 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 Corporation or while a Director or officer of the Corporation is or was serving at the request of the Corporation 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 Corporation 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 Corporation to provide broader indemnification rights than said law permitted the Corporation 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 Corporation 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 Corporation 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 Corporation, by adoption of a resolution of the Board, may indemnify and advance expenses to an employee or agent of the Corporation 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 Corporation may indemnify and advance expenses to persons who are not or were not Directors, officers, employees or agents of the Corporation but who are or were serving at the request of the Corporation 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 Corporation 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 Corporation 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 Corporation or these Bylaws, agreement, vote of shareholders or disinterested Directors or otherwise.

Section 6. *Insurance.* The Corporation 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 Corporation or is or was serving at the request of the Corporation 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 Corporation 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 Corporation 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

Section 1. *Minority Contracts.* The Corporation shall attempt to stimulate the growth of disadvantaged businesses inside the City 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 Corporation contracts. The Corporation shall establish one or more programs designed to increase participation by disadvantaged businesses in contract awards which will conform to City approved programs. Any program established by the Corporation shall provide that disadvantaged businesses certified by the City shall be the disadvantaged businesses certified for Corporation contracts.

Section 2. *Disadvantaged Businesses.* "Disadvantaged business" means a disadvantaged business as defined by the City from time to time.

ARTICLE VII

CODE OF ETHICS

Section 1. *Policy and Purposes.*

a. It is the policy of the Corporation that Directors and officers conduct themselves in a manner consistent with sound business and ethical practices; that the public interest always be considered in conducting corporate business; that the appearance of impropriety be avoided to ensure and maintain public confidence in the Corporation; and that the Board establish policies to control and manage the affairs of the Corporation fairly, impartially, and without discrimination.

b. This Code of Ethics has been adopted as part of the Corporation'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. Except as provided in subsection (c), a Director or officer is prohibited from participating in a vote, decision, or award of a contract involving a business entity or real property in which the Director or the officer has a substantial interest, if it is foreseeable that the business entity or real property will be economically benefited by the action. A person has a substantial interest in a business (i) if his or her ownership interest is ten percent or more of the voting stock or shares of the business entity or ownership of $5,000 or more of the fair market value of the business entity, or (ii) if the business entity provides more than ten percent of the person's gross income. A person has a substantial interest in real property if the interest is an equitable or legal ownership with a fair market value of $2,500 or more. An interest of a person related in the second degree by affinity or the third degree by consanguinity to a Director or officer is considered a substantial interest.

b. If a Director or a person related to a Director in the first or second degree by affinity or the first, second, or third degree by consanguinity has a substantial interest in a business entity or real property that would be pecuniarily affected by any official action taken by the Board, such Director, before a vote or decision on the matter, shall file an affidavit stating the nature and extent of the interest. The affidavit shall be filed with the Secretary of the Board.

c. A Director who has a substantial interest in a business entity that will receive a pecuniary benefit from an action of the Board may vote on that action if a majority of the Board has a similar interest in the same action or if all other similar business entities in the Corporation will receive a similar pecuniary benefit.

d. 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 Corporation. 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 City Council of the City to be effective.

ARTICLES OF INCORPORATION

OF

INDUSTRIAL DEVELOPMENT CORPORATION
OF THE CITY OF GALVESTON

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 the City of Galveston, Texas (the "City") and a citizen of the State of Texas, acting as incorporators of a corporation under the provisions of Article 5190.6, Section 4B, Vernon's Texas Civil Statutes (the "Act"), do hereby adopt the following Articles of Incorporation for such corporation:

ARTICLE I

The name of the corporation is INDUSTRIAL DEVELOPMENT CORPORATION OF THE CITY OF GALVESTON.

ARTICLE II

The Corporation is a public non-profit corporation.

ARTICLE III

The period of its duration is perpetual.

ARTICLE IV

The Corporation is organized for the purpose of aiding, assisting, and acting on behalf of the City in the undertaking and completing of the project which shall mean land, buildings, equipment, facilities and improvements included in the definition of that term under Section 2 of the Act, including recycling facilities, and land, buildings, equipment, facilities and improvements found by the Board of Directors to

(a) be required or suitable for use for professional and amateur (including children's) sports, athletic, entertainment, tourist, convention, and public park purposes and events, including stadiums, ball parks, auditoriums, amphitheaters, concert halls, learning centers, parks and park facilities, open space improvements, municipal building, museums, exhibition facilities, and related store, restaurant, concession, and automobile parking facilities, related area transportation facilities, and related roads, streets, and water and sewer facilities, and other related improvements that enhance any of those items; or

(b) promote or develop new or expanded business enterprises, including a project to provide public safety facilities, streets and roads, drainage and related improvements, demolition of existing structures, general municipally owned improvements, as well as any improvements or facilities that are related to any of those projects and any other project that the Board in its discretion determines promotes or develops new or expanded business enterprises.

The Corporation is further organized to aid, assist, and act to facilitate the beach renourishment project between 10th Street and 61st Street.

The Corporation is further organized to aid, assist, and act in the performance of street and drainage improvements.

The Corporation is formed pursuant to the provisions of Section 4B of the Act which authorizes the Corporation to assist and act on behalf of the City and to engage in activities in the furtherance of the purposes of its creation.

The Corporation shall have all powers provided to a Section 4B Corporation by the Act.

The Corporation may issue bonds on behalf of the City. (With Council Approval)

The Corporation 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 Corporation 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 Corporation 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.

The Corporation 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, Civil Practice and Remedies Code. The operations of the Corporation are governmental and not proprietary functions for purposes of the Texas Tort Claims Act, Section 101.001 et seq., Civil Practice and Remedies Code.

ARTICLE V

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

ARTICLE VI

All powers of the Corporation shall be vested in a Board consisting of seven (7) persons. Directors of the Corporation ("Director" or "Directors") shall be appointed by position to the Board. Each initial Director named in Article VIII hereof shall serve for the term expiring on the date set forth in Article VIII. Subsequent Directors shall be appointed by the City Council of the City. Each subsequent Director shall serve for a term of two (2) years or until his or her successor is appointed by the City 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 City Council. The number of Directors may only be increased or decreased by an amendment to these Articles of Incorporation as authorized by amendment of the Act.

Board members for each of the following positions shall have experience in the area indicated or hold the position specified below:

(1) Position 1 - Mayor, City of Galveston

(2) Position 2 - Councilmember, City of Galveston

(3) Position 3 - Councilmember, City of Galveston

(4) Position 4 - Councilmember, City of Galveston

(5) Position 5 - Chairperson, Park Board of Trustees, or designee

(6) Position 6 - Chairperson, Galveston Chamber of Commerce, or designee

(7) Positions 7 - Chairperson, Galveston Economic Development Corp., or designee

To be qualified to serve as a Director, a person must be a resident of the City and be at least 18 years old.

All other matters pertaining to the internal affairs of the Corporation shall be governed by the Bylaws of the Corporation, 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 Corporation is 823 Rosenberg, Galveston, Texas, 77553, and the name of its initial registered agent at such address is Douglas W. Matthews.

ARTICLE VIII

The number of Directors constituting the Board is seven (7). The names, addresses, positions, and terms of office of the initial Directors, each of whom resides within the City, are:

POS.	NAME	ADDRESS	TERM
1	Barbara K. Crews	823 Rosenberg	August 1, 1994
2	Danny Allen	823 Rosenberg	August 1, 1995
3	Linda Singleton	823 Rosenberg	August 1, 1994
4	Louis Pauls, Jr.	823 Rosenberg	August 1, 1995
5	Lyda Ann Thomas	2100 Seawall Boulevard	August 1, 1994
6	Carolyn Clyburn	2100 Seawall Boulevard	August 1, 1995
7	Irwin M. Herz, Jr.	One Moody Plaza	August 1, 1994

All in the City of Galveston, Texas

ARTICLE IX

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

NAME	ADDRESS
Gary W. Smith	2620 Christopher Galveston, Texas 77553
Louis Pauls, Jr.	2315 Strand Galveston, Texas 77551
Douglas W. Matthews	823 Rosenberg Galveston, Texas 77551

ARTICLE X

No Director shall be liable to the Corporation 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 Corporation, (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 XI

In accordance with the provisions of Section 501(c)(3) of the Code and regardless of any other provisions of these Articles of Incorporation or the laws of the State of Texas, the Corporation: (a) shall not permit any part of the net earnings of the Corporation to inure to the benefit of any private individual (except that reasonable compensation may be paid for personal services rendered to or for the Corporation in effecting one or more of its purposes); (b) shall not direct any 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 Corporation after payment of reasonable expenses, debt and establishing a reserve shall accrue to the City.

The City shall, at all times, have an unrestricted right to receive any income earned by the Corporation, exclusive of amounts needed to cover reasonable expenditures and reasonable reserves for future activities. Unless otherwise directed by the City, any income of the Corporation received by the City shall be deposited into the Civic Center Enterprise Fund, or its successor. No part of the Corporation's income shall inure to the benefit of any private interests.

If the Board of Directors determines by resolution that the purposes for which the Corporation was formed have been substantially met and all bonds issued by and all obligations incurred by the Corporation have been fully paid, the Board shall execute a certificate of dissolution which states those facts and declares the Corporation dissolved in accordance with the requirements of the Act, or with applicable law then in existence. In the event of dissolution or liquidation of the Corporation, all assets will be turned over to the City.

ARTICLE XII

If the Corporation is a private foundation within the meaning of Section 509(a) of the Code, the Corporation: (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 XIII

On November 8, 1993, the City Council of the City duly adopted a resolution approving the form of these Articles of Incorporation and approving the creation of the Corporation.

IN WITNESS WHEREOF, we have hereunto set our hands this 5th day of November, 1993.

Gary W. Smith

Louis Pauls, Jr.

Douglas W. Matthews

THE STATE OF TEXAS §

COUNTY OF GALVESTON §

BEFORE ME, the undersigned authority, on this day personally appeared Gary W. Smith, 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 5th day of November, 1993.

My Commission Expires:
August 14, 1997

Notary Public in and for
The State of Texas

THE STATE OF TEXAS §

COUNTY OF GALVESTON §

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 5th day of November, 1993.

My Commission Expires:
August 14, 1997

Notary Public in and for
The State of Texas

THE STATE OF TEXAS §

COUNTY OF GALVESTON §

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 5th day of November, 1993.

My Commission Expires:
August 14, 1997

Notary Public in and for
The State of Texas

ORDINANCE NO. 20-003

AN ORDINANCE OF THE CITY OF GALVESTON, TEXAS, APPROVING THE AMENDED AND RESTATED ARTICLES OF INCORPORATION AND THE AMENDED AND RESTATED BYLAWS OF GALVESTON ISLAND REDEVELOPMENT AUTHORITY; DIRECTING THE FILING OF THE SAME WITH THE OFFICE OF THE TEXAS SECRETARY OF STATE, PROVIDING FOR FINDINGS OF FACT AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Subchapter D of Chapter 431, Texas Transportation Code authorizes the creation and organization of public non-profit local government corporations to act as a duly constituted authority of a city to aid and assist the city in the performance of one or more governmental functions; and

WHEREAS, on August 22, 2002, pursuant to City of Galveston Ordinance Number 02-071, the City Council granted the Galveston Island Redevelopment Authority's (the "Authority") application for incorporation, authorized Articles of Incorporation, approved Bylaws, and appointed the original board of Directors of the Authority; and

WHEREAS, on or about June 26, 2006 pursuant to City of Galveston Ordinance No. 06-055 the City Council approved certain amendments to the Articles of Incorporation and Bylaws passed by the Board members of the directors of the Authority; and

WHEREAS, the Board of Directors of the Authority would like to amend its Articles of Incorporation and Bylaws to specifically provide for an increase in the number of Directors of the Authority to seven members, to provide for three year terms, to aid and assist the City in the performance of its governmental functions with respect to all Economic Development Areas, including land banks and other development opportunities (as such term is defined in the Amended and Restated Articles of Incorporation attached hereto as Exhibit "A"); and

WHEREAS, the City Council has considered the amendments to the Articles of Incorporation and the Bylaws, and has found the amendments to be consistent with the original purpose of the Authority as previously authorized and finds them satisfactory for approval.

NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GALVESTON, TEXAS:

Section 1. Approval of Amended and Restated Articles of Incorporation.

The City Council hereby approves the Amended and Restated Articles of Incorporation of the Authority in substantially the form attached hereto as Exhibit "A" and authorizes the Authority to file the Amended and Restated Articles of Incorporation with the Secretary of State of the State of Texas in the manner provided by law. The City Council hereby acknowledges and approves of the changes set forth in Exhibit "A ".

Section 2. Approval of Amended and Restated Bylaws.

The City Council hereby approves the Amended and Restated Bylaws of the Authority in substantially the form attached hereto as Exhibit "B." The City Council hereby acknowledges and approves of the changes set forth in Exhibit "B".

Section 3. Ministerial Duty

The City Council hereby authorizes the Mayor and/or City Attorney to make any ministerial changes to the Bylaws and Amended and Restated Articles of Incorporation attached hereto as Exhibits A and B.

Section 4. Severability

It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses, and phrases of this Ordinance are severable and, if any phrase, clause, sentence, paragraph or section of this Ordinance should be declared invalid by the final judgment or decree of any court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Ordinance.

Section 5. Open Meetings

It is hereby found, determined, and declared that sufficient written notice of the date, hour, place and subject of the meeting of City Council at which this Ordinance was adopted was posted in compliance with the provision of Texas Government Code Chapter 551 and this meeting was open to the public as required by law.

Section 6. Availability of Ordinance

In accordance with the provisions of Sections 12 and 13 of Article II of the City Charter this Ordinance has been publicly available in the office of the City Secretary for not less than 72 hours prior to its adoption; that this Ordinance may be read and published by descriptive caption only.

Section7. Effective Date

This Ordinance shall become effective upon its adoption and publication in accordance with the provisions of the Charter of the City of Galveston.

APPROVED AS TO FORM:

DONALD S. GLYWASKY
CITY ATTORNEY

I, Janelle Williams, Secretary of the City Council of the City of Galveston, do hereby certify that the foregoing is a true and correct copy of an Ordinance adopted by the City Council of the City of Galveston at its Regular Meeting held on the 23rd day of January 2020 as the same appears in records of this office.

IN TESTIMONY WHEREOF, I subscribe my name hereto officially under the corporate seal of the City of Galveston this 24th day of January 2020.

Janelle Williams
Secretary for the City Council
of the City of Galveston

CITY OF GALVESTON ★ 1839 ★

RESTATED CERTIFICATE OF FORMATION
(WITH AMENDMENTS)

OF

GALVESTON ISLAND REDEVELOPMENT AUTHORITY
A Nonprofit Corporation

PREAMBLE

This Restated Certificate of Formation ("Restatement") is submitted for filing pursuant to Sections 3.057-3.063 and 22.107 – 22.109 of the Texas Business Organizations Code. This Restatement accurately copies the Restated and Amended Articles of Incorporation of the Galveston Island Redevelopment Authority (the "Authority") that was filed with the Texas Secretary State on July 24, 2008, under file number 800133231, as further amended by this Restatement.

The Restated and Amended Articles of Incorporation is amended by the Restatement in accordance with the provisions of the Texas Business Organizations Code and the Authority's governing documents as follows:

(a) Article IV has amended to include within the purpose of the Authority to include land banks and Chapter 380 agreements;

(b) Article VI has been amended to expand the number of members on the Board of Directors;

(c) Article VII has been changed to designate a new registered agent;

(d) Article VII has been changed to list the current Board of Directors;

(e) Article IX, which listed the names of the original incorporators of the Authority, has been deleted and subsequent the Articles renumbered; and

(f) Renumbered Article IX has been changed to include a reference to the approval of the City Council of the City of Galveston, Texas, to these changes.

EXHIBIT A

RESTATED CERTIFICATE OF FORMATION (WITH AMENDMENTS)

ARTICLE I

The name of the corporation is GALVESTON ISLAND 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 and will be operated exclusively for one or more charitable purposes, within the meaning of Section 501(c)(3) of the U.S. Internal Revenue Code of 1986, as amended (the "Code"). The Authority is organized for the purpose: of aiding, assisting, and acting on behalf of the City of Galveston (the "City") in the performance of its governmental functions to promote the common good and general welfare of the following areas: (i) Reinvestment Zone Number Twelve, City of Galveston, Texas ("TIRZ 12"), and (ii) Reinvestment Zone Number Thirteen, City of Galveston, Texas ("TIRZ 13"), (iii) Reinvestment Zone Number Fourteen, City of Galveston, Texas, (iv) any other tax increment reinvestment zones created in the future by the City pursuant to Chapter 311 of the Texas Tax Code (collectively, the "Zones") and neighboring areas, and as the boundaries of the Zones may be amended from time to time (the "TIRZ Area"), (v) any area where a project is to be wholly or partially funded by federal grant funds, (vi) any areas designated as a state or federal enterprise or empowerment zone, (vii) any areas designated as special district or economic development district created by or consented to by the City pursuant to Texas law, and (viii) any area so designated by the City Council of the City and Chair of the Authority that is determined to be a consistent with this Article IV (collectively, items (v)-(viii), ("Economic Development Areas"); to promote, develop, encourage and maintain housing, employment, commerce, transportation and economic development in the City; to administer, manage and supervise economic development vehicles and tools, including land banks and City approved 380 agreements, implemented by or on behalf of the City.

The Authority is further organized to aid, assist and act on behalf of the City and the Board of Directors of the Zones:

(a) in the implementation of the Project Plans and the Reinvestment Zone Financing Plans for the Zones and the preparation and implementation of amendments thereto;

(b) in the development of policies to finance development of residential, commercial, transportation and public properties in the TIRZ Area and Economic Development Areas;

(c) in the development and implementation of development policies for the TIRZ Area and Economic Development Areas, including the acquisition of land for development purposes ; and

(d) in the development, construction, acquisition, maintenance and administration of any other project in the TIRZ Area or Economic Development Area.

The Authority is formed pursuant to the provisions of the Act as it now or may hereafter be amended, and Chapter 394, Texas Local Government Code, which authorizes the Authority to assist and act on behalf of the City 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 or other entities 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, Texas Business Organizations Code Ch. 22 Non-Profit Corporations.

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 City Council of the City.

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 seven (7) persons. Additional persons may be added to the Board by the Authority in accordance with the provisions of the Bylaws. The current directors of the Authority ("Director" or "Directors") are persons named in Article VIII. Each current 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 Mayor and City Council of the City.

The current Chairperson of the Board is James L. Ware and the Mayor and City Council of the City shall designate each subsequent Chairperson of the Board.

If any of the following persons is not serving as a member of the Board, he or she shall serve as an ex-officio, non-voting member of the Board:

(1) City Manager;

(2) Director of the City Department of Public Works and Municipal Utilities;

(3) City Attorney;

(4) Director of the City Planning and Development Department;

(5) Director of Galveston Economic Development Partnership;

(6) City Finance Director;

(7) The Chairpersons of the Boards of Directors of the Zones; and

(8) A member from the City Finance and Fiscal Affairs Committee.

In addition, the Board of Directors of the Authority may designate one or more representatives of Galveston County, Galveston College, Galveston County Navigation District No. 1, 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 Authority's registered agent is Donald Glywasky, City Attorney, City of Galveston, Texas. The registered address of the Authority is 823 Rosenberg, Galveston, Texas 77554. The

registered agent has consented to the appointment in writing pursuant to Section 5.201(b) of the Texas Business Organizations Code. The written consent shall be maintained in the Authority's records..

ARTICLE VIII

The names and addresses of the five (5) current Directors, each of whom resides within the City, are:

NAME	ADDRESS
James L. Ware, Chairman	823 Rosenberg, Galveston, Texas 77554
Roland Bassett	823 Rosenberg, Galveston, Texas 77554
Willy Gonzalez	823 Rosenberg, Galveston, Texas 77554
David Hoover	823 Rosenberg, Galveston, Texas 77554
Christopher Robb	823 Rosenberg, Galveston, Texas 77554

ARTICLE IX

Ordinance No. 02-071 approving the original Articles of Incorporation was adopted by the City Council of the City on August 22, 2002; Ordinance No. 06-055 approving the form of this Restated Certificate of Formation was adopted on June 26, 2006.

ARTICLE X

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 XI

In accordance with the provisions of Section 501(c)(3) of 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 City.

The City shall, at all times, have an unrestricted right to receive any income earned by the Authority, exclusive of amounts needed to cover reasonable expenditures and reasonable reserves for future activities. No part of the Authority's income shall inure to the benefit of any private interests.

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 of 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 City for deposit, as appropriate, in the Tax Increment Funds for the Zones, unless the City Council shall otherwise direct.

If required by the City, any capital project(s) of the Authority as well as all plans and specifications of any improvement to be made by the Authority shall be approved by the Director of the Department of Public Works and Municipal Utilities of the City or his designee.

ARTICLE XII

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 XIII

The City Council may at any time consider and approve an ordinance 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 XIV

(1) These Articles may not be changed or amended unless approved by the City Council of the City.

(2) Each of the amendments contained in this Restated Certificate of Organization has been effected in accordance with the requirements of the Texas Business Organizations Code and the Authority's governing documents. The Board of Directors of the Authority approved the amendments and this Restated Certificate of Formation.

(3) This Restated Certificate of Formation becomes effective upon filing with the Texas Secretary of State.

GALVESTON ISLAND REDEVELOPMENT AUTHORITY

by James L. Ware, Chairman
Galveston Island Redevelopment Authority

THE STATE OF TEXAS,
COUNTY OF GALVESTON.

BEFORE ME, the undersigned authority, on this day personally appeared James L. Ware, 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 6th day of December, 2019.

Notary Public in and for
The State of Texas

(NOTARY SEAL)

MELISSA ISABEL GONZALEZ
Notary ID #132235525
My Commission Expires
November 1, 2023

EXHIBIT "B"

AMENDED AND REVISED BYLAWS

OF

GALVESTON ISLAND REDEVELOPMENT AUTHORITY

A Texas Local Government Corporation

(Created on behalf of the City of Galveston)

Date of Adoption: December 6, 2019

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AMENDED AND REVISED BYLAWS

OF

GALVESTON ISLAND REDEVELOPMENT AUTHORITY

ARTICLE I
PURPOSES

The Galveston Island Redevelopment Authority (the "Authority") is organized and will be operated exclusively for one or more charitable purposes, within the meaning of Section 501(c)(3) of the U.S. Internal Revenue Code of 1986, as amended (the "Code"). The Authority is organized for the purpose of aiding, assisting, and acting on behalf of the City of Galveston, Texas (the "City") in the performance of its governmental functions to promote the common good and general welfare of the following areas: (i) Reinvestment Zone Number Eleven, City of Galveston, Texas ("TIRZ 11"), (ii) Reinvestment Zone Number Twelve, City of Galveston, Texas ("TIRZ 12"), (iii) Reinvestment Zone Number Thirteen, City of Galveston, Texas ("TIRZ 13"), (iv) Reinvestment Zone Number Fourteen, City of Galveston, Texas, (v) any other tax increment reinvestment zones created in the future by the City pursuant to Chapter 311 of the Texas Tax Code (collectively, the "Zones") and neighboring areas, and as the boundaries of the Zones may be amended from time to time (the "TIRZ Area"), (vi) any area where a project is to be wholly or partially funded by federal grant funds, (vii) any areas designated as a state or federal enterprise or empowerment zone, (viii) any areas designated as special district or economic development district created by or consented to by the City pursuant to Texas law, and (ix) any area so designated by the City Council of the City and Chair of the Authority that is determined to be a consistent with this Article I (collectively, items (vi)-(ix), ("Economic Development Areas"); to promote, develop, encourage and maintain housing, employment, commerce, transportation and economic development in the City; to administer, manage and supervise economic development vehicles and tools, including land banks and City approved 380 agreements, implemented by or on behalf of the City.

The Authority is further organized to aid, assist and act on behalf of the City and the Board of Directors of the Zones:

(a) in the implementation of the Project Plans and the Reinvestment Zone Financing Plans for the Zones and the preparation and implementation of amendments thereto;

(b) in the development of policies to finance development of residential, commercial, transportation and public properties in the TIRZ Area and Economic Development Areas;

(c) in the development and implementation of development policies for the TIRZ Area and Economic Development Areas, including the acquisition of land for development purposes; and

(d) in the development, construction, acquisition, maintenance and administration of any other project in the TIRZ Area or Economic Development Area.

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, and Chapter 394, Texas Local Government Code, which authorizes the Authority to assist and act on behalf of the City 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,. Texas Business Organizations Code Ch. 22 Texas Non-Profits
.

he 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 City Council of the City.

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 consist of seven persons. Directors of the Authority ("Director" or Directors") shall be appointed by position to the Board by the Mayor and City Council of the City.

Each Director shall serve for a term of three years, or until his or her successor is appointed by the City 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. These three year terms shall begin on the filing of the Authority's Articles of Incorporation with the Texas Secretary of State . Any Director may be removed from office at any time, with or without cause, by the City Council. The number of Directors may only be increased or decreased by an amendment to these Bylaws by the Board with the consent of the City Council of the City.

If any of the following persons are not serving as a member of the Board, he or she shall serve as an ex-officio, non-voting member of the Board:

(1) City Manager;

(2) Director of the City Department of Public Works and Municipal Utilities;

(3) City Attorney;

(4) Director of the City Development Department;

(5) City Finance Director.

Any person designated as an ex-officio member of the Board is entitled to notice of and to attend meetings of the Board.

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 the City 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 City under Chapter 551, Texas 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, Texas 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 in the City 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, facsimile, mail or telegraph at least three (3) days 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 City 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 Board then appointed and serving 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 or abstention shall be entered in the minutes of the meeting or unless he shall file his written dissent or abstention to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent or abstention by registered mail to the Secretary of the Authority immediately after the adjournment of the meeting. Such right to dissent or abstain 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, as such, shall not receive any salary or compensation for their services as Directors; provided, that nothing contained herein shall be construed to preclude any Director from receiving compensation which 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 citizens of the City of Galveston 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 three 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 president, one or more vice presidents, a secretary, a treasurer, an investment officer, 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 neither the Chairperson of the Board nor the President shall hold the office of Secretary. The term of office for each officer (other than the Chairperson) shall commence on the date of such officer's election and terminate on the earlier of: one year; the date that the officer is replaced by the board; or, if the officer is a member of the Board, the date that the officer is no longer a member of the Board. The Chairperson shall serve for the term designated by the Mayor and City Council of the City.

Section 2. Powers and Duties of the Chairperson. The Chairperson shall be a member of the Board and shall preside at all meetings of the Board. The Chairperson shall be

designated by the Mayor of the City. 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. *Powers and Duties of the President.* The President shall be the principal executive officer of the Authority and, subject to the Board, he or she shall be in general charge of the properties and affairs of the Authority. In furtherance of the purposes of the Authority and subject to the limitations contained in the Articles of Incorporation, the President, Chairperson, or Vice Chairperson may sign and execute all bonds, notes, deeds, conveyances, franchises, assignments, mortgages, notes, contracts and other obligations in the name of the Authority.

Section 5. *Vice Presidents.* A Vice President shall have such powers and duties as may be assigned to him or her by the Board or the President, including the performance of the duties of the President upon the death, absence, disability, or resignation of the President, or upon the President's inability to perform the duties of his or her office. Any action taken by the Vice President in the performance of the duties of the President shall be conclusive evidence of the absence or inability to act of the President at the time such action was taken.

Section 6. *Treasurer.* The Treasurer shall have custody of all the funds and securities of the Authority which come into his or her hands. When necessary or proper, he or she may endorse, on behalf of the Authority, for collection, checks, notes and other obligations and shall deposit the same to the credit of the Authority in such bank or banks or depositories as shall be designated in the manner prescribed by the Board; he or she may sign all receipts and vouchers for payments made to the Authority, either alone or jointly with such other officer as is designated by the Board; whenever required by the Board, he or she shall render a statement of his or her case account; he or she shall enter or cause to be entered regularly in the books of the Authority to be kept by him or her for that purpose full and accurate accounts of all moneys received and paid out on account of the Authority; he or she shall perform all acts incident to the position of Treasurer subject to the control of the Board; and he or she shall, if required by the Board, give such bond for the faithful discharge of his or her duties in such form as the Board may require.

Section 7. *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 Articles of Incorporation, he or she may sign with the President 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, 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 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 8. *Compensation.* Officers may be entitled to receive such salary or compensation for personal services which are necessary and reasonable in carrying out the Authority's purposes as the Board may from time to time determine, provided, that in no event shall the salary or compensation be excessive. Board members, even in their capacity as officers, are not entitled to compensation except as otherwise provided in Article II, Section 9.

Section 9. *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 October 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 whatever, 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 President or Secretary. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

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, 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. Subject to the limitations and conditions as provided in this Article V and the Articles of Incorporation each person specified above 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 of a criminal nature, may be indemnified only after the dismissal of charges in favor of the accused person, at the option of the Board. 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. The right to advance payment set forth in this section shall not apply in the case of criminal actions investigated or initiated by the State.

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 City 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 City approved programs. Any program established by the Authority shall provide that disadvantaged businesses certified by the City 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) Except as provided in subsection (c), a Director or officer is prohibited from participating in a vote, decision, or award of a contract involving a business entity or real property in which the Director or the officer has a substantial interest, if it is foreseeable that the business entity or real property will be economically benefited by the action. A person has a substantial interest in a business (i) if his or her ownership interest is ten percent or more of the

voting stock or shares of the business entity or ownership of $15,000 or more of the fair market value of the business entity, or (ii) if the business entity provides more than ten percent of the person's gross income. A person has a substantial interest in real property if the interest is an equitable or legal ownership with a fair market value of $2,500 or more. An interest of a person related in the second degree by affinity or the third degree by consanguinity to a Director or officer is considered a substantial interest.

(b) If a Director or a person related to a Director in the first or second degree by affinity or the first, second, or third degree by consanguinity has a substantial interest in a business entity or real property that would be pecuniarily affected by any official action taken by the Board, such Director, before a vote or decision on the matter, shall file an affidavit stating the nature and extent of the interest. The affidavit shall be filed with the Secretary of the Board.

(c) A Director who has a substantial interest in a business entity that will receive a pecuniary benefit from an action of the Board may vote on that action if a majority of the Board has a similar interest in the same action or if all other similar business entities in the Authority will receive a similar pecuniary benefit.

(d) 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 then appointed and serving 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 City Council of the City to be effective.