

**RESTATED CERTIFICATE OF FORMATION
OF
GALVESTON ISLAND REDEVELOPMENT AUTHORITY**

The Articles of Incorporation (the “Articles”) of the Galveston Island Development Authority (the Authority) were initially adopted and filed with the Texas Secretary of State on October 7, 2002 by the incorporators, all qualified electors of the City of Galveston, acting as incorporators of a corporation under Subchapter D of Chapter 431, Texas Transportation Code and Chapter 394, Texas Local Government Code, (the “Act”), with the approval of the City Council of the City of Galveston, Texas (the “City Council”).

With approval of the City Council by ordinance, the Articles, now referred to as the Certificate of Formation, were restated with amendments; each new amendment conforms to the requirements of the Act. The following Restated Certificate of Formation, accurately states the text of the Certificate of Formation being restated and each amendment to the Certificate of Formation being restated that is in effect, and as further amended by the Restated Certificate of Formation. The Restated Certificate of Formation does not contain any other change in the Certificate of Formation being restated except for the information permitted to be omitted by the provisions of the Act. This Restated Certificate of Formation becomes effective when the document is filed with the Texas Secretary of State.

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 in the performance of its governmental functions to promote the common good and general welfare of the following areas: (i) Reinvestment Zone Number Thirteen, City of Galveston, Texas (“TIRZ 13”), (ii) 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”), (iii) any area where a project is to be wholly or partially funded by federal grant funds, (iv) any areas designated as a state or federal enterprise or empowerment zone, (v) any areas designated as special district or economic development district created by or consented to by the City pursuant to Texas law, and (vi) any area so designated by the City Council of the City and the

Authority that is determined to be consistent with this Article IV (collectively, items (iii)-(vi), (“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 of seven (7) persons that shall serve two (2) year terms. Additional persons may be added to the Board in accordance with the provisions of the Bylaws. The current directors of the Authority (“Director” or “Directors”) are persons named in Article VIII. Subsequent Directors shall be appointed by position to the Board by the City Council. Any Director may be removed from office at any time, with or without cause, by the Mayor and City Council. At least one Director shall have experience in finance, and at least one Director shall have experience in construction.

The City Council shall designate each President of the Board.

If any of the following persons is not serving as a member of the Board, he or she shall serve as 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 77550. 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 seven (7) current Directors, each of whom resides within the City, are:

<u>POS. NO</u>	<u>NAME</u>	<u>ADDRESS</u>
1	Maureen McCutchen	2925 Beluche Dr., Galveston, Texas
2	Mark McKenna	22109 Matagorda Dr., Galveston, Texas
3	Sam Dell'Olio	5 Gentry Lane, Galveston, Texas
4	Leon Phillips	1212 38 th Street, Galveston, Texas
5	Patricia Bolton-Legg	1927 Broadway, Galveston, Texas
6	Christopher Robb	47 Pirates Beach W, Galveston, Texas
7	John Lightfoot	4103 Courageous Ln, Galveston, Texas

ARTICLE IX

Ordinance No. 02071 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. Ordinance No. 21-071 approving this Restated Certificate of Formation was passed by City Council on November 18, 2021.

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) 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 of State on July 25, 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. 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 Formation has been affected in accordance with the requirements of the Texas Business Organizations Code and the Authority’s governing documents.

The amendments specifically contained in this Restated Certificate of Formation are:

- a) Article IV is amended to provide that the Authority may include land banks and city approved agreements authorized under Tex. Loc. Gov’t Code Ch. 380 (“380 agreements”).
- b) Article VI is amended to expand the Board from five members to seven members with a two (2) year term;
- c) Article VII has been changed to designate a new registered agent;
- d) Article VIII 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 subsequently the Articles renumbered;
- 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; and
- g) References to the position of “Chairman” in Articles VI and VIII has been changed to the title of “President” in conformity with Tex. Loc. Gov’t Code 394.016(d).
- h) In accordance with Tex. Bus. Org. Code 3.059(d) the restated certificate of formation accurately states the text of the certificate of formation being restated and each amendment to the certificate of formation being restated; such amendments are set forth in Art. XIV (2)(a-g).

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

IN WITNESS WHEREOF, as we have hereunto set our hands this 4th day, Jan., 2022

VERIFIED:

Craig K. Brown
Presiding Officer (Mayor)
City Council of the City of Galveston
Mayor Craig Brown

ATTEST:

Janelle Williams
City Secretary
Janelle Williams



THE STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

BEFORE ME, the undersigned authority, on this day personally appeared Craig K. Brown, 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 4th day of January, 2022



Manuela de la Fuente
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 Janelle Williams, 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 4th day of January, 2022

Manuela De La Fuente
Notary Public in and for
The State of Texas

