



HOUSTON
HOUSING AUTHORITY
Transforming Lives & Communities

**HOUSTON HOUSING AUTHORITY
SPECIAL BOARD OF COMMISSIONERS MEETING**



AUGUST 16, 2017

**CUNEY HOMES
3260 TRUXILLO
HOUSTON, TEXAS 77004**



HOUSTON
HOUSING AUTHORITY

Transforming Lives & Communities

2640 Fountain View Drive, Houston, Texas 77057 | Phone 713.260.0500 | **Tory Gunsolley, President & CEO**

Board of Commissioners: LaRence Snowden, *Chair* | Phillis Wilson, *Vice Chair* | Nicola Fuentes Toubia | Tim Horan | Shondra E. Wygal | David Enrique Ruiz | Kristy Kirkendoll

**SPECIAL BOARD OF COMMISSIONERS' MEETING
WEDNESDAY, AUGUST 16, 2017
1:00 P.M.
CUNEY HOMES
3260 TRUXILLO, HOUSTON, TEXAS 77004**

AGENDA

- I. Call to Order
- II. Roll Call
- III. New Business
 - a. Creation of Lakeside Place PFC
(Resolution No. 2908)
- IV. Informational Session on the Rental Assistance Demonstration (RAD) Program
- V. Adjournment



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REQUEST FOR BOARD AGENDA ITEM

1. Brief Description of Proposed Item

Creation of Lakeside Place PFC

2. Date of Board Meeting: August 16, 2017

3. Proposed Board Resolution:

Resolution: That the Houston Housing Authority Board of Commissioners, authorizes the President & CEO to create Lakeside Place PFC, a Public Facility Corporation, and any other actions necessary or convenient to carry out the resolution pursuant to the August 8, 2017, memorandum from Brian Gage, Senior Policy Analyst to Tory Gunsolley, President and CEO.

4. All Backup attached?

Yes

No

If no, what is missing and when will it be submitted: _____

5. Department Head Approval Signature _____ Date: _____

6. Statement regarding availability of funds by VP of Fiscal Operations

Funds Budgeted and Available Yes No Source _____

Account # _____

VP of FO Approval Signature _____ Date: _____

7. Approval of President & CEO

Signature _____ Date: _____



HOUSTON
HOUSING AUTHORITY

Transforming Lives & Communities

MEMORANDUM

TO: TORY GUNSOLLEY, PRESIDENT & CEO
FROM: BRIAN GAGE, SENIOR POLICY ANALYST
SUBJECT: CREATION OF LAKESIDE PLACE PFC
DATE: AUGUST 8, 2017

This memorandum recommends that the Houston Housing Authority Board of Commissioners, authorizes the President & CEO to take any and all actions necessary to create Lakeside Place PFC for the purpose of owning real property.

BACKGROUND

The Houston Housing Authority, a public body corporate and politic formed under the laws of the State of Texas (“HHA”), has as part of its mission to provide quality affordable housing. HHA, pursuant to the provisions of the Public Facility Corporation Act, Chapter 303, Texas Local Government Code (the “Act”) is authorized to create a public facility corporation for the purposes set forth in the Act, including the issuance of bonds and the ownership of real property. HHA has identified a potential parcel of property to purchase and desires to sponsor and form a public facility corporation to, among other purposes, own such property. HHA has determined that it is in the public interest and to the benefit of HHA’s residents and the citizens of the State of Texas that the Corporation (defined below) be created to finance, refinance, or provide the costs of public facilities of HHA. HHA desires to sponsor and create the Lakeside Place PFC, a public facility corporation (the “Corporation”). HHA has prepared (a) for filing with the Secretary of State of the State of Texas the Certificate of Formation for the Corporation, and (b) the Bylaws for the Corporation.

APPROVALS

That the Board of Commissioners of HHA hereby authorizes its President and CEO to cause to be created a public facility corporation using the name “Lakeside Place PFC” or using a similar name if so required by the Secretary of State of the State of Texas. The Certificate of Formation of the Corporation, attached hereto as Exhibit “A”, has been prepared for filing with the Secretary of State of the State of Texas and shall be filed with the Secretary of the State of Texas in substantially the form attached. The form of Bylaws attached hereto as Exhibit “B”, in substantially the form attached, be, and it hereby is, approved to be adopted as the Bylaws of the Corporation. The President and CEO is authorized and directed to take such further action in the consummation of the transactions herein contemplated and to do any and all other acts necessary or proper in furtherance thereof, as the President and CEO shall deem to be necessary or desirable, and all acts heretofore taken by the President and CEO to such end are hereby expressly ratified and confirmed as the acts and deeds of HHA.

RECOMMENDATION

Accordingly, I recommend that the Board considers this resolution, which states:

Resolution: That the Houston Housing Authority Board of Commissioners, authorizes the President & CEO to create Lakeside Place PFC, a Public Facility Corporation, and any other actions necessary or convenient to carry out the resolution pursuant to the August 8, 2017, memorandum from Brian Gage, Senior Policy Analyst to Tory Gunsolley, President and CEO.

CERTIFICATE AS TO RESOLUTIONS

I certify that I am the duly qualified and acting secretary of the Houston Housing Authority, a Texas municipal public housing authority (“**HHH**”), and as follows:

1. Attached hereto as Exhibit A is a true, correct and complete copy of a resolution adopted by the Board of Commissioners of HHA on August 16, 2017 pertaining to the formation and sponsorship by HHA of Lakeside Place PFC, a Texas public facility corporation.

IN WITNESS WHEREOF, I have hereunto set my hand as of August __, 2017.

By: _____
Tory Gunsolley, Secretary

Attachments:

Exhibit A – Resolution

RESOLUTION NO. 2908

RESOLUTION AUTHORIZING THE PRESIDENT AND CEO OF THE HOUSTON HOUSING AUTHORITY TO CREATE LAKESIDE PLACE PFC, A PUBLIC FACILITY CORPORATION, AND ANY OTHER ACTIONS NECESSARY OR CONVENIENT TO CARRY OUT THIS RESOLUTION.

WHEREAS, the Houston Housing Authority, a body politic formed under the laws of Texas (“HHA”), has as part of its mission to provide quality affordable housing; and

WHEREAS, HHA, pursuant to the provisions of the Public Facility Corporation Act, Chapter 303, Texas Local Government Code (the “Act”) is authorized to create a public facility corporation for the purposes set forth in the Act, including the issuance of bonds and the ownership of real property; and

WHEREAS, HHA has identified a potential parcel of property to purchase and desires to sponsor and form a public facility corporation to, among other purposes, own such property; and

WHEREAS, HHA has determined that it is in the public interest and to the benefit of HHA’s residents and the citizens of the State of Texas that the Corporation (defined below) be created to finance, refinance, or provide the costs of public facilities of HHA; and

WHEREAS, HHA desires to sponsor and create the Lakeside Place PFC, a public facility corporation (the “Corporation”); and

WHEREAS, HHA has prepared (a) for filing with the Secretary of State of the State of Texas the Certificate of Formation for the Corporation, and (b) the Bylaws for the Corporation;

NOW THEREFORE IT BE RESOLVED:

That the Board of Commissioners of HHA hereby authorizes its President and CEO to cause to be created a public facility corporation using the name “Lakeside Place PFC” or using a similar name if so required by the Secretary of State of the State of Texas;

FURTHER RESOLVED, that the Certificate of Formation of the Corporation, attached hereto as Exhibit “A”, has been prepared for filing with the Secretary of State of the State of Texas and shall be filed with the Secretary of the State of Texas in substantially the form attached;

FURTHER RESOLVED, that the form of Bylaws attached hereto as Exhibit “B”, in substantially the form attached, be, and it hereby is, approved to be adopted as the Bylaws of the Corporation; and

FURTHER RESOLVED, that the President and CEO is hereby authorized and directed to take such further action in the consummation of the transactions herein contemplated and to do any and all other acts and things necessary or proper in furtherance thereof, as the President and CEO shall

deem to be necessary or desirable, and all acts heretofore taken by the President and CEO to such end are hereby expressly ratified and confirmed as the acts and deeds of HHA.

These Resolutions shall be in full force and effect from and upon their adoption.

PASSED this ____ day of _____, 2017.

Chair

ATTEST:

Secretary

Exhibit "A"

Certificate of Formation of the Corporation

Exhibit "B"

Bylaws of the Corporation

**BYLAWS OF
LAKESIDE PUBLIC FACILITY CORPORATION**

**ARTICLE I
PURPOSE AND POWERS**

Section 1.1 Purpose. Lakeside Place PFC (the “Corporation”) is incorporated for the purposes set forth in Article Four of its Certificate of Formation, the same to be accomplished on behalf of the Houston Housing Authority (the “Authority”) as its duly constituted authority and instrumentality in accordance with the Public Facility Corporation Act, as amended, Chapter 303, Texas Government code (the “Act”), and other applicable laws.

Section 1.2 Powers. In the fulfillment of its corporate purpose, the Corporation shall be governed by the Act, and shall have all the powers set forth and conferred in its Certificate of Formation, in the Act, and in other applicable law, subject to the limitations prescribed therein and herein and to the provisions thereof and hereof.

Section 1.3 Nonprofit Corporation. The Corporation shall be a public, nonprofit corporation and no part of its set earnings remaining after payment of its bonds and expenses shall inure to the benefit of any person other than the Authority.

**ARTICLE II
BOARD OF DIRECTORS**

Section 2.1 Powers, Number and Term of Office.

(a) The property and affairs of the Corporation shall be managed and controlled by a board of directors (the “Board”) subject to the restrictions imposed by law, the Act, the Certificate of Formation, and these Bylaws, the Board shall exercise all of the powers of the Corporation.

(b) The Board shall consist of the members of the Board of Commissioners of the Authority. The number of directors may be changed by amendment to these Bylaws, but such number must be at least three (3).

(c) The directors constituting the initial Board shall be those directors named in the Certificate of Formation. Successor directors shall have the qualifications and shall be appointed to the terms set forth in the Certificate of Formation.

(d) Any director may be removed from office by the Authority under the same terms, conditions and procedures as Commissioners of the Authority.

Section 2.2 Additional Powers. In addition to the powers and authorities by these Bylaws expressly conferred upon them, the Board may exercise all such powers of the Corporation and do all lawful acts and things as are not by statute, other law, or by these Bylaws prohibited. Without prejudice to such general powers and other powers conferred by statute, other law, and by these Bylaws, it is hereby expressly declared that the Board shall have the powers set forth in Section 303.041 of the Act, as amended.

Section 2.3 Meetings of Directors.

(a) The directors may hold their meetings at such place or places as the Board may from time to time determine; provided, however, in the absence of any such determination by the Board, the meetings shall be held at the principal office of the Corporation as specified in Section 5.1(a) of these Bylaws. The Corporation shall also conduct at least one annual regular meeting of the Corporation. In addition, regular meetings of the Board shall be held without the necessity of notice to directors at such times and places as shall be designated from time to time by the Board. Special meetings of the Board shall be held whenever called by the president, by the secretary, by a majority of the directors, or by the Authority.

(b) Subject to Section 2.4 hereof, the secretary shall give notice to each director of each special meeting in person or by mail, telephone or telegraph, at least two (2) hours before the meeting. 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 meeting. At any meeting at which every director shall be present, even though without any notice, any matter pertaining to the purpose of the Corporation may be considered and acted upon consistent with applicable law.

(c) Subject to Section 2.4 hereof, whenever any notice is required to be given to the Board, said notice shall be deemed to be sufficient if given by depositing the same in the United States mail in a sealed postpaid envelope addressed to the person entitled thereto at his or her mailing 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. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except attendance of a director at a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened. Neither the business to be transacted at nor the purpose of any regular or special meeting of the Board need be specified in the notice to directors or waiver of notice of such meeting, unless required by the Board. A waiver of notice in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

Section 2.4 Open Meetings Act. All meetings and deliberations of the Board shall be called, convened, held, and conducted, and notice shall be given to the public, in accordance with the Texas Open Meetings Act, as amended, Chapter 551, Texas Government Code.

Section 2.5 Quorum. A majority of the entire membership of the Board shall constitute a quorum to conduct official business of the Corporation. The act of a majority of the Board present at a meeting at which a quorum is in attendance shall constitute the act of the Board and of the Corporation, unless law requires the act of a greater number.

Section 2.6 Conduct of Business.

(a) At the meetings of the Board, matters pertaining to the business of the Corporation shall be considered in accordance with rules of procedure as from time to time prescribed by the Board.

(b) At all meetings of the Board, the president shall preside. In the absence of the president, the vice president shall preside. In the absence of both the president and vice president, a member of the Board selected by the members present shall preside.

(c) 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. The president, treasurer, secretary and any assistant secretary may, at the option of the Board, be employees of the Authority and each member of the Board with the exception of the president, vice president or secretary, may be appointed as assistant secretaries.

Section 2.7 Committees of the Board. The Board may designate two (2) or more directors to constitute an official committee of the Board to exercise such authority, as approved by resolution of the Board. It is provided, however, that only the Board may exercise all final, official actions of the Corporation. 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 principal office of the Corporation and any such meetings must be conducted in accordance with the provisions of the Texas Open Meetings Act, as amended, Chapter 551, Texas Government Code, if applicable.

Section 2.8 Compensation of Directors. Directors shall not receive any salary of compensation for their services as directors. However, they shall be reimbursed for their actual expenses incurred in the performance of their official duties as directors.

ARTICLE III
OFFICERS

Section 3.1 Titles and Terms of Office.

(a) The officers of the Corporation shall be a president, a vice president, a secretary and a treasurer and such other officers as the Board may from time to time elect to fill a vacancy. One person may hold more than one office, except that the president shall not hold the office of secretary. Officers shall serve for two-year terms or until his or her successor is elected or appointed. Notwithstanding the foregoing, all officers of the Corporation, except the secretary and treasurer, shall be members of the Board. Upon the expiration of the terms, each officer shall have the right to be re-appointed or re-elected.

(b) All officers shall be subject to removal from office at any time by a vote of a majority of the Board.

(c) A vacancy in the office of any director shall be filled by a vote of a majority of the Board.

Section 3.2 Powers and Duties of the President. The president shall be the chief operating executive officer of the Corporation, and subject to the authority of the Board, the president shall be in general charge of the properties and affairs of the Corporation, and execute all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, leases, notes and other instruments in the name of the Corporation. The President shall preside over the meetings of the Corporation.

Section 3.3 Vice President. The vice president shall have such powers and duties as may be prescribed by the Board and shall exercise the powers of the president during that officer's absence or inability to act, in their respective order. 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 3.4 Treasurer. The treasurer shall be the chief fiscal officer of the Corporation, and shall have the responsibility to see to the handling, custody, and security of all funds and securities of the Corporation in accordance with these Bylaws. When necessary or proper, the treasurer may endorse and sign, on behalf of the Corporation, for collection or issuance, checks, notes, and other obligations in or drawn upon such bank, banks or depositories as shall be designated by the Board consistent with these Bylaws. The treasurer shall see to the entry in the books of the Corporation full and accurate accounts of all money received and paid out on account of the Corporation. The treasurer shall, at the expense of the Corporation, give such bond for the faithful discharge of his/her duties in such form, and amount as the Board may require. All check writing authority will follow all applicable Authority policies concerning authorizations, signatures and disbursements.

Section 3.5 Secretary. The secretary shall keep the minutes of all meetings of the Board and books provided for that purpose, shall give and serve all notices, may sign in the name of the Corporation, and/or attest the signature thereto, all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments of the Corporation, shall have charge

of the corporate books, records, documents and instruments, except the books of account and financial records and securities, and such other books and papers as the Board may direct, all of which shall at all reasonable times be open to public inspection upon application at the office of the Corporation during business hours, and shall in general perform all duties incident to the office of secretary subject to the control of the Board.

Section 3.6 Compensation. Officers who are members of the Board shall not receive any salary or compensation for their services, except that they shall be reimbursed for the actual expenses incurred in the performance of their official duties as officers.

ARTICLE IV FUNCTIONAL CORPORATE DUTIES AND REQUIREMENTS

Section 4.1 Books, Records, and Audits.

(a) The Corporation shall keep and properly maintain in accordance with generally accepted accounting principles, complete books, records, accounts, and financial statements pertaining to its corporate funds, activities, and affairs.

(b) At the direction of the Authority, the accountants, staff and personnel of the Authority may maintain the books, records, accounts, and financial statements of the Corporation for the Corporation.

(c) The Corporation, or the Authority if the option of subsection (b) is selected, shall cause its books, records, accounts, and financial statements to be studied at least once each fiscal year by an outside, independent auditing and accounting firm selected by the Authority and approved by the Board. Such an audit shall be at the expense of the Corporation and shall be delivered to the Authority within 150 days of the end of the fiscal year of the Corporation.

(d) All books and records of the Corporation may be inspected by any director or his or her agent or attorney for any purpose at any reasonable time and at all times the Authority shall have access to the books, records, and financial statements of the Corporation.

Section 4.2 Deposit and Investment of Corporation Funds.

(a) All proceeds from loans or from the issuance of bonds, notes, or other debt instruments (“Obligations”) issued by the Corporation in accordance with the provisions of the Act shall be deposited and invested as provided in the resolution, order, indenture, or other documents authorizing or relating to their execution or issuance.

(b) Subject to the requirements of contracts, loan agreements, indentures or other agreements securing Obligations, all other money of the Corporation, if any, shall be deposited, secured, and/or invested in the manner provided for the deposit, security and/or

investment of the public funds of the Authority. The Board shall designate the accounts and depositories to be created and designated for such purposes, and the methods of withdrawal of funds therefrom for use by and for the purposes of the Corporation upon the signature of its treasurer and such other persons as the Board designates. The Chief Financial Officer of the Authority or designee of the Chief Financial Officer shall perform the accounts, reconciliation, and investment of such funds and accounts.

Section 4.3 Expenditure of Corporate Money. The proceeds from the investment of funds of the Corporation, the proceeds from the sale of property, revenues generated by and payable to the Corporation pursuant to the Act or any other source of revenues that are payable to the Corporation and the proceeds derived from the sale of Obligations, may be expended by the Corporation for any of the purposes authorized by the Act, except expenditures that may be made from a fund created with the proceeds of Obligations, and expenditures of money derived from sources other than the proceeds of Obligations may be used for the purpose of financing or otherwise providing for the acquisition, construction, rehabilitation, renovation, repair, equipping, furnishing and placement in service of public facilities of the Authority under the terms of the Act.

Section 4.4 Issuance of Obligations. No Obligations, including refunding obligations, shall be authorized or sold and delivered by the Corporation unless the Authority approves such Obligations by action taken prior to the date of initial delivery of the Obligations to the initial purchasers thereof.

ARTICLE V MISCELLANEOUS PROVISIONS

Section 5.1 Principal Office.

(a) The principal office and the registered office of the Corporation shall be the registered office of the Corporation located at 2640 Fountain View Drive, Suite 400, Houston, Texas 77057 as specified in the Certificate of Formation.

(b) The Corporation shall have and shall continually designate a registered agent at its office, as required by the Act.

Section 5.2 Fiscal Year. The fiscal year of the Corporation shall be the same as the fiscal year of the Authority.

Section 5.3 Seal. No seal of the Corporation shall be required.

Section 5.4 Resignations. Any director or officer may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein, or, if no time is specified, at the time of its receipt by the president or secretary. The acceptance of

resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

Section 5.5 Approval or Advice and Consent of the Authority. To the extent that these Bylaws refer to any approval by the Authority or refer to advice and consent by the Authority, a certified copy of a resolution, order or motion duly adopted by the Authority shall evidence such advice and consent.

Section 5.6 Services of Authority Staff and Officers. To the extent possible, the Corporation shall utilize the services and the staff employees of the Authority. All requests for staff time or inquiries of staff will be requested through the secretary. The Corporation shall pay reasonable compensation to the Authority for such services, and the performance of such services shall not materially interfere with the other duties of such personnel of the Authority.

Section 5.7 Indemnification of Directors, Officers and Employees.

(a) The Corporation is, for the purposes of the Texas Tort Claims Act (Subchapter A, Chapter 101, Texas Civil Practices and Remedies Code), a governmental unit and its actions are governmental functions.

(b) As provided in Section 303.037 of the Act, the Corporation shall indemnify each and every member of the Board, its officers and its employees and each member of the Board and each employee of the Authority, to the fullest extent permitted by law, against any and all liability or expense, including attorneys' fees, incurred by any of such persons by reason of any actions or omissions that may arise out of the sanctions and activities of the Corporation; provided, however, that the Corporation may not provide indemnity in any manner if the director, officer, employee, or agent is guilty of negligence or misconduct in relation to the matter. The legal counsel for the Corporation is authorized to provide a defense for members of the Board, officers, and employees of the Corporation.

ARTICLE VI EFFECTIVE DATE, AMENDMENTS; MISCELLANEOUS

Section 6.1 Effective Date. These Bylaws shall become effective upon the occurrence of the following events:

- (1) the approval of these Bylaws by the Authority, which approval may be granted prior to the creation of the Corporation; and
- (2) the adoption of the Bylaws by the Board.

Section 6.2 Amendments to Certificate of Formation and Bylaws. The Certificate of Formation of the Corporation and these Bylaws may be amended only in the manner provided in the Certificate of Formation and the Act.

Section 6.3 Interpretation of Bylaws. These Bylaws shall be liberally construed to effectuate the purposes set forth herein. If any word, phrase, clause, sentence, paragraph, section or other part of these Bylaws, or the application thereof to any person or circumstances, shall ever be held to be invalid or unconstitutional by any court of competent jurisdiction, the remainder of these Bylaws and the application of such word, phrase, clause, sentence, paragraph, section or other part of these Bylaws to any other person or circumstance shall not be affected thereby.

Section 6.4 Termination. Upon the termination of the Corporation after payment of all obligations of the Corporation, all remaining assets of the Corporation shall be transferred to the Authority.

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting secretary of the Lakeside Place PFC and that these Bylaws constitute the Corporation's Bylaws. These Bylaws were duly adopted at a meeting of the Board of Directors held on _____, 2017.

Tory Gunsolley
Secretary of the Lakeside Place PFC

**CERTIFICATE OF FORMATION
OF
LAKESIDE PLACE PFC**

A PUBLIC FACILITY CORPORATION AND
INSTRUMENTALITY OF THE
HOUSTON HOUSING AUTHORITY

Pursuant to the Texas Business Organizations Code, Lakeside Place PFC (the "Corporation"), a non-profit corporation incorporated under the laws of the State of Texas, and public nonprofit corporation under the Public Facility Corporation Act, as amended, Chapter 303, Texas Local Government Code (the "Act") with the approval of the Board of Commissioners of the Houston Housing Authority (the "Authority"), as evidenced by the resolution attached hereto as Exhibit "A" and made a part of this Certificate of Formation for all purposes, does hereby adopt the following Certificate of Formation for the Corporation:

**ARTICLE ONE
NAME**

The name of the Corporation is the "Lakeside Place PFC".

**ARTICLE TWO
AUTHORIZATION**

The Corporation is a nonprofit public corporation.

**ARTICLE THREE
DURATION**

Subject to the provisions of Article Thirteen hereof, the period of duration of the Corporation is perpetual.

**ARTICLE FOUR
PURPOSE AND LIMITATIONS**

(a) The Corporation is organized exclusively for the purpose of assisting the Authority in financing, refinancing or providing public facilities. The Corporation shall have and possess the broadest possible powers to finance obligations issued or incurred in accordance with existing law, to provide for the acquisition, construction, rehabilitation, renovation, repair, equipping, furnishing and placement in service of public facilities of the Authority under the terms of the Act. The corporation is authorized to issue "bonds" as defined and permitted by the Act on behalf of the Authority; provided, however, no bonds, notes, interim certificates, or other evidence of indebtedness may be issued by the Corporation unless such bonds are first approved by resolution of the Authority. The Corporation is a public corporation, a constituted authority,

and a public instrumentality within the meaning of the Act, the United States Treasury Department, the rulings of the Internal Revenue Service prescribed and promulgated pursuant to section 103 and 141 of the Internal Revenue Code of 1986, as amended, and the Corporation is authorized to act on behalf of the Authority as provided in this Certificate of Formation.

(b) In the fulfillment of its corporate purpose, the Corporation shall have and may exercise the powers described in paragraph (a) of this Article, together with all of the other powers granted to corporations that are incorporated under the Act, and to the extent not in conflict with the Act, the Corporation shall additionally have and may exercise all of the rights, powers, privileges, authorities, and functions given by the general laws of the State to nonprofit corporations under the Texas Non-Profit Corporation Act, as amended, Texas Revised Civil Statutes Annotated Article 1396-101, et seq., or any other applicable laws of the State.

(c) The Corporation shall have the purposes and powers permitted by the Act, but the Corporation does not have, and shall not exercise the powers of sovereignty of the Authority, including the power to tax, eminent domain, or police power. However, for the purposes of the Texas Tort Claims Act (Subchapter A, Chapter 101, Texas Civil Practice and Remedies Code), the Corporation is a governmental unit and its actions are governmental functions.

(d) No bonds or other obligations, contracts, or agreements of the Corporation are or shall ever be deemed to be or constitute the contracts, agreements, bonds, other debt instruments, or other obligations or the lending of credit, or a grant of the public money or things of value, of, belonging to, or by the State, the Authority, or any other political corporation, subdivision or agency of the State, or a pledge of the faith and credit of any of them. Any and all of such contracts, agreements, bonds or other debt instruments, and other obligations, contracts and agreements shall be payable solely and exclusively from the revenues and funds received by the Corporation from the sources authorized by the Act and from such other sources as may be otherwise lawfully available and belonging to the Corporation from time to time.

(e) The Authority, in its sole discretion, may alter the Corporation's structure, name, organization, programs, or activities; consistent with the Act and subject to limitations provided by law relating to the impairment of contracts entered into by the Corporation.

ARTICLE FIVE FINANCING

(a) Before the consummation of the sale and delivery of any bonds, the Corporation shall obtain approval by the Authority, evidenced by the adoption of a written resolution.

(b) In the exercise of the powers of the Corporation, the Corporation may enter into loan, lease, trust, or other agreements as authorized by the Act that are necessary and appropriate to the fulfillment of the public purpose of the Corporation, all of which agreements (and the specific uses, and the method of withdrawals and expenditure of the proceeds of the bonds) must be included as a part of the approval process of the Authority required by paragraph (a) above.

ARTICLE SIX
MEMBERS

The Corporation has no members and is a non-stock corporation.

ARTICLE SEVEN
AMENDMENTS

This Certificate of Formation may be amended at any time as provided in the Act, to make any changes and add any provisions that might have been included in the Certificate of Formation in the first instance. Any amendment may be accomplished in either of the following manners:

(a) The members of the board of directors of the Corporation shall file with the Authority a written application requesting approval of the amendments to the Certificate of Formation, specifying in such application the amendments proposed to be made. The Authority shall consider such application and, if it shall, by appropriate resolution, duly find and determine that it is advisable that the proposed amendments be made, it shall approve the form of the proposed amendments. The board of directors of the Corporation may then amend the Certificate of Formation by adopting such amendment at a meeting of the board of directors. The Corporation's president or vice president and the secretary of the Authority shall execute the amendment on behalf of the Corporation. The amendment and a certified copy of the resolution of the Authority shall be delivered to the Secretary of State as required by the Act; or

(b) The Authority may, at its sole discretion, and at any time, amend this Certificate of Formation and alter or change the structure, name, organization, programs or activities of the Corporation, or terminate or dissolve the Corporation (subject to the provisions of the Act) by resolution as otherwise provided in the Act.

ARTICLE EIGHT
ADDRESS

The street address of the initial registered office of the Corporation is 2640 Fountain View Drive, Suite 400, Houston, Texas 77057, and the name of its initial registered agent at that address is Tory Gunsolley.

ARTICLE NINE
BOARD OF DIRECTORS

(a) The affairs of the Corporation shall be managed by a board of directors, which shall be composed of the Commissioners of the Authority. The board of directors shall automatically change each time the Commissioners of the Authority change. Any director shall cease to be a director at the time he or she ceases to be a Commissioner of the Authority. A

majority of the entire membership of the board of directors, including any vacancies, is a quorum.

(b) The names and street addresses of the persons who are to serve as the initial directors are as follows:

NAMES	ADDRESSES
LaRence Snowden	2640 Fountain View Drive, Suite 400, Houston, TX 77057
Phillis Wilson	2640 Fountain View Drive, Suite 400, Houston, TX 77057
David Ruiz	2640 Fountain View Drive, Suite 400, Houston, TX 77057
Kristy M. Kirkendoll	2640 Fountain View Drive, Suite 400, Houston, TX 77057
Nicola Fuentes Toubia	2640 Fountain View Drive, Suite 400, Houston, TX 77057
Shondra E. Wygal	2640 Fountain View Drive, Suite 400, Houston, TX 77057
Tim Horan	2640 Fountain View Drive, Suite 400, Houston, TX 77057

Each director shall serve an initial six year term, as subject to the terms of the Act.

(c) The directors shall serve without compensation, but they shall be reimbursed for their actual expenses incurred in the performance of their duties as directors.

(d) The board of directors shall elect a president, vice president, secretary, treasurer and any other officers that the Corporation considers necessary, to serve as executive officers of the Corporation, as more specifically provided in the Corporation's bylaws. The Authority's President and CEO shall serve as the Secretary of the Corporation to provide administrative support services for the Corporation.

(e) Meetings of the board of directors are subject to the Texas Open Meetings Act, Texas Government Code, Chapter 551, and the Corporation is subject to the Texas Public Information Act, Texas Government Code, Chapter 552.

ARTICLE TEN BYLAWS

The initial bylaws of the Corporation shall be adopted by the Corporation's board of directors and shall, together with this Certificate of Formation, govern the initial affairs of the Corporation until and unless amended in accordance with the provisions of the Act and this Certificate of Formation. The bylaws and each amendment and repeal of the bylaws must be approved by the Authority by resolution.

ARTICLE ELEVEN
INCORPORATOR

The name and street address of each incorporator is:

<u>Name</u>	<u>Address</u>
Tory Gunsolley	2640 Fountain View Drive Houston, Texas 77057

ARTICLE TWELVE
AUTHORITY APPROVAL

(a) The Authority has specifically authorized the Corporation by resolution to act on its behalf to further the public purposes stated in this Certificate of Formation, and the Authority has by resolution, dated _____, 2017, approved this Certificate of Formation. A copy of this resolution is on file among the permanent public records of the Authority and the Corporation.

(b) The Authority is the Corporation's "Sponsor" (as defined by the Act) and has caused this Corporation to be created. The address of the Authority is 2640 Fountain View Drive, Suite 400, Houston, Texas 77057.

ARTICLE THIRTEEN
TERMINATION

The Authority, by written resolution, may authorize and direct the termination of the Corporation. However, the Corporation shall not be terminated, and its business shall not be terminated, by act of the Authority or otherwise, so long as the Corporation shall be obligated to pay any bonds.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation as of _____, 2017.

Tory Gunsolley
Incorporator

EXHIBIT A