

CITY OF HOUSTON RESOLUTION NO. 2014- _____

A RESOLUTION AUTHORIZING THE CREATION OF HOUSTON CIVIC EVENTS, INC., A LOCAL GOVERNMENT CORPORATION; APPROVING THE CERTIFICATE OF FORMATION; APPROVING THE INITIAL BYLAWS; APPOINTING THE INITIAL BOARD OF DIRECTORS AND CHAIR OF THE BOARD; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT.

* * * * *

WHEREAS, the Texas Transportation Corporation Act, Chapter 431, Texas Transportation Code, as amended (the "Act"), authorizes the creation of a local government corporation to aid and act on behalf of a city to accomplish any governmental purpose of such city; and

WHEREAS, the Act requires that a local government corporation be created in accordance with the provisions of Chapter 394, Texas Local Government Code ("Chapter 394"); and

WHEREAS, the Act further requires that the local government corporation's Certificate of Formation and bylaws shall be in the form and be approved, executed, and filed in the manner prescribed by Chapter 394; and

WHEREAS, Chapter 394 requires, as a condition to the creation of a local government corporation, that at least three (3) or more persons who are residents of the city and are at least eighteen (18) years of age, submit a written application for the incorporation of the local government corporation; and

WHEREAS, the City Council of the City of Houston, Texas (the "City"), has determined that the City, through the Mayor's Civic Celebration Program administered by the Mayor's Office of Special Events, has a longstanding tradition of fostering, encouraging, promoting, producing and in some instances, sponsoring civic events in recognition of traditional national, state, and local holidays and other special events unique to the City through the Mayor's Office of Special Events;

WHEREAS, the City Council believes the continued growth of civic events in the City and the impact upon the resources of the Mayor's Office of Special Events have created a substantial need for the creation and development of a centralized repository wherein City funds allocated for civic celebrations may be accessed strictly for City produced or sponsored special events; and

WHEREAS, the City Council desires, as a governmental purpose of the City, to create a local government corporation to aid and act on behalf of the City to manage funds allocated to the City for use in City produced or sponsored civic events; and

WHEREAS, because local government corporations are not subject to City Charter, Article II, Section 17, the City may choose from time to time to enter into long-term contracts with such local government corporation for any length of term it so desires to enable such local government corporation to more fully and efficiently carry out its purposes; and

WHEREAS, there has been presented to and filed with City Council an application (the "Application," an accurate copy of which is attached hereto as Exhibit A-1) that meets the requirements of the Act and Chapter 394, requesting the creation of a local government corporation to be known as HOUSTON CIVIC EVENTS, INC., to aid and act on behalf of the City to accomplish such governmental purposes as prescribed in its Certificate of Formation; and

WHEREAS, the City Council desires to approve the Application for creation of HOUSTON CIVIC EVENTS, INC., approve its Certificate of Formation (attached hereto as Exhibit A), approve its Bylaws (attached hereto as Exhibit B), confirm the appointment of its Board of Directors and of the Chair of such Board of Directors, and take such other actions as the City Council deems appropriate; **NOW, THEREFORE;**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HOUSTON, TEXAS:

Section 1.

(a) That the recitals of facts contained in the preamble of this Resolution are hereby found and declared to be true and correct and are adopted as part of this Resolution for all purposes.

(b) That City Council hereby finds, determines, recites and declares that it is wise, expedient, necessary and advisable that a local government corporation, to be named HOUSTON CIVIC EVENTS, INC. (the "Corporation"), be created to aid and act on behalf of the City to accomplish the City's governmental purpose of:

- 1) Managing, soliciting, investing, and overseeing the investment of solicited funds, gifts, donations and bequests for the use and benefit of the City in sponsoring special events and civic celebrations;
- 2) To review requests for and approve the expenditure of City funds for special events and civic celebrations using City funds in depository accounts held and managed by Houston Civic Events, Inc.;
- 3) To enter into contracts with the City upon such terms and conditions as the Board shall deem proper and efficient to carry out the powers and purposes of the Corporation; and
- 4) To contract for financial management and investment services and pay reasonable fees therefor from funds or other assets of the Corporation; and

- 5) To perform other duties as may be authorized by the Certificate of Formation or the Bylaws, if any, of the Corporation as approved by City Council.

(c) That accordingly, the creation and organization of the Corporation under the Act and Chapter 394 is hereby approved.

Section 2. That City Council hereby approves the Certificate of Formation of the Corporation in substantially the form attached hereto as Exhibit A and authorizes and directs the incorporators of the Corporation to file the Certificate of Formation with the Secretary of State of the State of Texas in the manner provided by law.

Section 3. That a person need not be a resident of the City in order to be appointed to the Board of Directors except that a person who is not a resident of the City may not be appointed to the Board of Directors if the appointment of that person would result in less than a majority of the Board of Directors being residents of the City. The City Council hereby confirms the appointment of the following eight (8) persons, appointed by position, each of whom is at least eighteen (18) years of age and the majority of whom are residents of the City, to serve as the initial members of the Board of Directors of the Corporation, as provided in the Certificate of Formation:

Position	Name	Address
1 (Chair)	Susan Young	1401 Richmond Avenue Houston, Texas 77006
2	Lisa Foronda	1415 California Street Houston, Texas 77006
3	Cyndy Garza Roberts	4301 Windfern Houston, Texas 77041
4	Kym King	1140 West Loop North Houston, Texas 77055
5	Stan Skadall	1200 Louisiana Street Houston, Texas 77002
6	Susan Strong Criner	2323 South Shepherd Houston, Texas 77019
7	Dr. Frazier Wilson	901 Louisiana Street Houston, Texas 77002
8	<i>See footnote</i> ¹	

Section 4. That the Director of the Mayor's Office of Special Events shall serve as an ex-officio, non-voting member of the Board.

¹ Upon City Council's consideration and approval of this Resolution, it had not nominated and confirmed the appointment of an individual to Position 8 on the Board of Directors. City Council will take further action during a future City Council meeting to nominate and confirm the appointment of an individual to position 8 on the Board of Directors in a manner consistent with Rule 19, Section 2-2, of the City of Houston, Texas, Code of Ordinances.

Section 5. That the Mayor designates and City Council hereby confirms the appointment of Susan Young as Chair of the Corporation's Board of Directors.

Section 6. That City Council hereby approves the Bylaws of the Corporation in substantially the form attached hereto as Exhibit B.

Section 7. That City Council hereby directs and declares that the Certificate of Formation and the Bylaws of the Corporation may be amended at any time and from time to time by the Board of Directors of the Corporation with the approval of the City Council, and in accordance with the Act and Chapter 394.

Section 8. That City Council hereby directs that all current City funds allocated to special events that are held with a component unit of the city or another entity, including but not limited to the Houston Parks Board, Inc. and Central Houston Civic Improvement, Inc., shall be transferred to and deposited in such banks, trusts companies, or other depositories as the Board may select.

Section 9. That City Council hereby directs that the Corporation shall comply with the Open Meetings Act, Chapter 551, Texas Government Code and the Public Information Act, Chapter 552, Texas Government Code.

Section 10. That City Council hereby finds, determines and declares that, notwithstanding that the Corporation shall be a governmental unit to aid and act on behalf of the City to accomplish the City's governmental purpose described herein, the Corporation is not intended to be, nor shall it ever be deemed to be, a political subdivision of the State of Texas within the meaning of any constitutional or statutory provision, unless the constitutional or statutory provision specifically provides that a nonprofit local government corporation created pursuant to the Act is to be considered such a political subdivision.

Section 11. That Corporation is not a political subdivision or political authority of the State of Texas within the meaning of its Constitution and laws, including, without limitation, Article III, Section 52 of said Constitution, and no agreements, bonds, debts, or obligations of the Corporation are or shall ever be deemed to be the agreements, bonds, debts, or obligations, or the lending of credit, or a grant of public money or thing of value, of or by the City or any other political subdivision or authority or government agency of the State of Texas, or a pledge of the faith and credit of any of them. No action of the Corporation shall be deemed an action of the City or its agent or employee, nor shall this Resolution create a joint enterprise between the City and the Corporation.

Section 12. That if any provision, section, subsection, sentence, clause or phrase of this Resolution, or the application of the same to any person or set of circumstances, is for any reason held to be unconstitutional, void or invalid, the validity of the remaining portions of this Resolution or its application to other persons or other circumstances shall not be affected thereby, it being the intent of the City Council that no portion hereof or provision, or regulation contained herein, shall become inoperative or fail by reason of the

unconstitutionally, illegality or other invalidity of any portion hereof, and all provisions of this Resolution are declared to be severable for that purpose.

Section 13. That this Resolution shall take effect immediately upon its passage and approval by the Mayor; however, in the event that the Mayor fails to sign this Resolution within five (5) days after its passage and adoption, it shall take effect in accordance with Article VI, Section 6, Houston City Charter.

PASSED AND APPROVED this _____ day of _____, 2014

ADOPTED this _____ day of _____, 2014

Mayor of the City of Houston, Texas

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Resolution is _____, 2014.

Anna Russell, City Secretary

Prepared by: _____

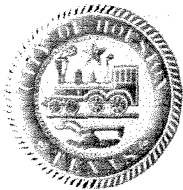
RVG: 10/30/2014

Senior Assistant City Attorney

Requested by: Susan E. Christian, Director, Mayor's Office of Special Events

L.D. File No. 0421300083001

EXHIBIT A-1



CITY OF HOUSTON

Legal Department

Interoffice Memorandum

To: Ms. Anna Russell, City Secretary

From: Rashaad V. Gambrell RVG
Senior Assistant City Attorney

Date: October 30, 2014

Subject: Houston Civic Events, Inc. ("HCE")

Please be advised that the creation of HCE will require the filing of a Certificate of Formation with the Texas Secretary of State. See TEX. BUS. ORG. CODE § 3.001(a). However, as a local government corporation, HCE "may not be formed" unless a "written application" is "filed" with City Council (the "governing body") and City Council adopts a resolution making certain findings and approving the form of the proposed Certificate of Formation. See TEX. LOC. GOV'T CODE § 394.011(b). The statute does not specify the means of the filing or the form of the application.

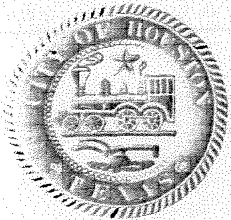
To help ensure compliance with these requirements, I have attached a letter addressed to you in your capacity as "custodian of all the papers and records of the [C]ouncil proceedings." The letter and its enclosures (the proposed Certificate of Formation and proposed Initial Bylaws of the Board of Directors) together constitute the "application" within the meaning of the statute.

The "application" and other related items are scheduled to be placed on the Wednesday, November 4, 2014, City Council Agenda.

As always, I appreciate your assistance. Please call me at 3-6439 if you have any questions.

Attachments

- Cc: David M. Feldman (w/attachments)
City Attorney
- Cc: Marta Crinejo (w/attachments)
Agenda Director
- Cc: Susan E. Christian (w/attachments)
Director, Mayor's Office of Special Events



CITY OF HOUSTON

Annise D. Parker

Mayor

P.O. Box 1562
Houston, Texas 77251-1562

Telephone – Dial 311
www.houstontx.gov

October 13, 2014

BY HAND DELIVERY

Ms. Anna Russell
City Secretary

Re: Certificate of Formation and Initial Bylaws for Houston Civic Events, Inc.

Dear Ms. Russell:

We the undersigned are the incorporators of Houston Civic Events, Inc., a local government corporation. In keeping with Section 2-67 of the City of Houston, Texas, Code of Ordinances, please accept for filing the enclosed Certificate of Formation and Initial Bylaws. Together with its enclosure, this letter constitutes an "Application" within the meaning of Section 394.011, Texas Local Government Code (made applicable to this matter by operation of Section 431.102(a), Texas Transportation Code).

We appreciate your assistance.

Very truly yours,

Janice Evans-Davis
Chief Policy Officer and Director of Communications

Susan E. Christian
Director, Mayor's Office of Special Events

Steven Kirkland
Senior Assistant City Attorney

Enclosure

EXHIBIT A

CERTIFICATE OF FORMATION FOR HOUSTON CIVIC EVENTS, INC.

We, the undersigned natural persons of the age of eighteen (18) years or more, and residents of the City of Houston, Texas (the "City") acting as the incorporators of a corporation under the provisions of Subchapter D, Chapter 431 of the Texas Transportation Code, and Chapter 394 of the Texas Local Government Code, do hereby adopt the following Certificate of Formation for such corporation.

ARTICLE I. NAME

The name of the entity is HOUSTON CIVIC EVENTS, INC., (hereinafter referred to as the "Corporation") which is being formed as a public, nonprofit corporation.

ARTICLE II. INITIAL REGISTERED OFFICE AND REGISTERED AGENT

The name of the initial registered agent is Susan Christian, an individual resident of the State of Texas and the Director of the City of Houston Mayor's Office of Special Events. The business and registered office address of the initial registered agent is 901 Bagby, 1st Floor, Houston, Texas 77002. Ms. Christian has consented to this serve in the capacity as the initial registered agent of the Corporation.

ARTICLE III. BOARD OF DIRECTORS

The management of the affairs of the corporation is vested in the board of directors ("Board"). The Board shall consist of individuals with a background, experience, and/or expertise in special events promotion or production or other experience that would further the mission of the Corporation. The number of Directors constituting the Board shall be eight (8). The Directors shall be appointed to designated positions on the Board. Positions One (1) through Seven (7) on the Board shall be filled by individuals appointed by the Mayor of the City and confirmed by Houston City Council ("City Council"). Position Eight (8) shall be filled by an individual nominated and confirmed by City Council.¹ The Director of the Mayor's Office of Special Events shall serve as an ex-officio, non-voting member of the Board. The names and addresses of the persons appointed by the Mayor and City Council to serve as the initial directors until their successors are elected and qualified are as follows:

¹ Upon City Council's consideration and approval of this Resolution, it had not nominated and confirmed the appointment of an individual to Position 8 on the Board of Directors. City Council will take further action during a future City Council meeting to nominate and confirm the appointment of an individual to position 8 on the Board of Directors in a manner consistent with Rule 19, Section 2-2, of the City of Houston, Texas, Code of Ordinances.

Position	Name	Address
1 (Chair)	Susan Young	1401 Richmond Avenue Houston, Texas 77006
2	Lisa Foronda	1415 California Street Houston, Texas 77006
3	Cyndy Garza Roberts	4301 Windfern Houston, Texas 77041
4	Kym King	1140 West Loop North Houston, Texas 77055
5	Stan Skadall	1200 Louisiana Street Houston, Texas 77002
6	Susan Strong Criner	2323 South Shepherd Houston, Texas 77019
7	Dr. Frazier Wilson	901 Louisiana Street Houston, Texas 77002
8	See footnote ² below	

ARTICLE IV. NO MEMBERS; NO STOCK

The Corporation will have no members and no stock.

The Corporation shall have no capital stock and no part of the net earnings of the Corporation shall inure in whole or in part to the benefit of, or be distributable to, any officer, director, or other individual having a personal or private interest in the activities of the Corporation, or to any person or organization other than an organization which is exempt from federal income taxation under Sections 501(c)(3) of the Code, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered, to make reimbursement for reasonable expense incurred in its behalf, and to make payments and distributions in furtherance of the purposes stated in Article 5 hereof.

ARTICLE V. AUTHORIZED PURPOSES AND ACTIVITIES

The Corporation is organized and will be operated exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. The Corporation is incorporated to aid and to act on behalf of the City to accomplish a governmental purpose of the City; namely, to receive and administer sponsorship funds and revenues from special events in support of the City's Civic Celebration Program. Within the scope of the foregoing purpose, the Corporation's more specific purposes are:

² See footnote 1 on page 1 of this Certificate of Formation.

1. To manage, solicit, invest, and oversee the investment of solicited funds, gifts, donations and bequests for the use and benefit of the City in sponsoring special events and civic celebrations;
2. To review requests for and approve the expenditure of City funds for special events and civic celebrations using City funds in depository accounts held and managed by Houston Civic Events, Inc.;
3. To enter into contracts with the City upon such terms and conditions as the Board shall deem proper and efficient to carry out the powers and purposes of the Corporation;
4. To contract for financial management and investment services and pay reasonable fees therefor from funds or other assets of the Corporation; and
5. To perform other duties as may be authorized by this Certificate of Formation or the Bylaws, if any, of the Corporation as approved by City Council.

In addition to the foregoing powers, the Board may contract for financial management and investment services and pay reasonable fees therefor from funds or other assets of the Corporation, provided that the Board shall exclude therefrom any solicited funds, gifts, donations or bequests when such payments would be contrary to the conditions of such solicited funds, gifts, donation or bequests. Upon request, the director of the City's Finance Department and the City Controller shall provide financial counseling and guidance to the Board. Additionally, the City Attorney shall provide legal services and representation to the Board.

Notwithstanding any other provision of this Certificate of Formation, the Corporation shall not carry on any other activities not permitted to be carried on by an organization exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code or the corresponding provision of any future federal tax code, or by a Corporation the contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code or the corresponding provision of any future federal tax code.

ARTICLE VI. TAX MATTERS

To conduct its affairs, the Corporation shall have and exercise any and all powers granted by the Business Organizations Code and the laws of the State of Texas, which may be necessary or convenient to carry out the purposes for which the Corporation is organized, provided such acts and powers are in furtherance of the charitable purposes of the Corporation and provided further that no substantial part of the activities of the Corporation shall be devoted to attempting to influence legislation by propaganda or otherwise, and the Corporation shall not participate in, or intervene in (including the publication or distribution of statements with respect to) any political belief on behalf of or in opposition to any candidate for public office.

ARTICLE VII. INCORPORATORS

The name and addresses of the incorporators are as follows:

Name	Address
Janice Evans-Davis	City of Houston 901 Bagby, Houston, Texas 77002
Susan E. Christian	City of Houston 901 Bagby, Houston, Texas 77002
Steven Kirkland	City of Houston 900 Bagby, Houston, Texas 77002

ARTICLE VIII. DISSOLUTION

The Corporation may be dissolved in the manner prescribed by Section 394.026, Texas Local Government Code, provided that no certificate affecting a dissolution of the Corporation shall be executed without the prior consent of the City Council, as evidenced by a resolution approved a majority vote. Additionally, City Council may act to dissolve the Corporation upon a determination, evidenced by a resolution approved by a majority vote that the Corporation has acted in a manner or engaged in activities or conduct inconsistent with or contrary to the specific purpose for which the Corporation is organized and incorporated.

Upon the dissolution of the Corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not disposed of shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the Corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purpose.

ARTICLE IX. AMENDMENT

The Corporation reserves the right to amend, alter, change, or repeal any provision contained in this Certificate of Formation or the Corporation's by-laws by the affirmative vote of a majority of the directors present at a meeting of the Board. However, no amendment to this Certificate of Formation shall be effective without the prior approval of City Council, as evidenced by a resolution approved by a majority vote. An application for an amendment to this Certificate of Formation or the Corporation's by-laws shall not be valid unless it is accompanied by written authorization from City Council approving the proposed amendment.

ARTICLE X. DURATION

The duration of the Corporation is perpetual.

ARTICLE XI. SPONSOR

A resolution approving the form of this Certificate of Formation was adopted by the City Council of the City of Houston, Texas on _____, 2014.

ARTICLE XII. EFFECTIVE DATE; AUTHORIZATION TO FILE

This document becomes effective when it is filed by the Secretary of State.

The undersigned affirms that the person designated as registered agent has consented to the appointment. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized to execute the filing instrument.

Date: _____

Janice Evans-Davis, Incorporator
Chief Policy Officer and Director of
Communication
City of Houston
901 Bagby
Houston, Texas 77002

Susan E. Christian, Incorporator
Director, Mayor's Office of Special
Events
City of Houston
901 Bagby
Houston, Texas 77002

Steven Kirkland, Incorporator
Senior Assistant City Attorney
City of Houston
900 Bagby
Houston, Texas 77002

EXHIBIT B

BYLAWS OF HOUSTON CIVIC EVENTS, INC.

ARTICLE I OFFICES

The principal office of Houston Civic Events, Inc. ("HCE Inc.") shall be located in Houston, Texas. HCE Inc. may have such offices, within the State of Texas, as it may determine or as the affairs of HCE Inc. require from time to time.

HCE Inc. shall have and continuously maintain, in the State of Texas, a registered office and a registered agent whose office is identical with such registered office, as required by the Texas Business Organizations Code. The registered office may be, but need not be identical with the principal office of HCE Inc. in the State of Texas, and the address of the registered office may be changed from time to time by the Board of Directors ("Board").

ARTICLE II MEETINGS

Section 1. Open Meetings. Notwithstanding any provision to the contrary contained in these bylaws or in the certificate of formation or any amendments thereto, all meetings of HCE Inc.'s Board or any committee thereof, whether regular or special, shall be in conformity with the Texas Open Meetings Act, Chapter 551, Texas Government Code (the "Act").

Section 2. Regular Quarterly Meeting. At least one meeting of the Board shall be held in each quarter of the fiscal year, or at such time as designated by the Board. The purpose of the meeting(s) is for the transaction of any business as may come before the Board. If the day fixed for any quarterly meeting shall be on a legal holiday in the State of Texas, such meeting shall be held on the next succeeding business day.

Section 3. Special Meetings. Special meetings of the Board may be held at any time when called by any Board Director provided that notice is given to each Director in conformity with the Act.

Section 4. Place of Meeting. The Board may designate any place, within the City of Houston, Texas, as the place of meeting for any quarterly meeting of the members provided that such designation complies with the Act. If no designation is made or if a special meeting is otherwise called, the place of meeting shall be the registered office of HCE Inc. in Houston, Texas.

Section 5. Notice of Meeting. Notice of each meeting and items to be discussed at such meeting shall be provided in accordance with the Act.

Section 6. Additional Notice. Written or printed notice stating the place, day and hour of any meeting shall be delivered, either personally, or by postal or electronic mail, to each Director entitled to vote at such meeting, not less than seventy-two (72) hours nor more than thirty (30) days before the date of such meeting by or at the direction of the President, or the Secretary. If mailed the notice of the meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Director at his/her address as it appears on the records of HCE Inc., with postage thereon prepaid.

Section 7. Quorum of Directors. A majority of the voting Directors of the Board shall constitute a quorum for the transaction of business. When a quorum is present at any meeting, a majority vote of the Directors in attendance shall decide any question brought before such meeting in the absence of any express provision to the contrary in these Bylaws.

ARTICLE III **DIRECTORS**

Section 1. Powers of the Directors. The Directors of the Board shall have the entire management and control of the business of HCE Inc. In the management and control of the property, business and affairs of HCE Inc., the Board is hereby vested with all of the powers possessed by HCE Inc. itself so far as this delegation of authority is consistent with the laws of the State of Texas, with the certificate of formation of HCE Inc. or with these bylaws.

Section 2. Number, Tenure and Qualifications. The Board shall consist of eight (8) voting Directors (Positions 1 through 8). The Directors shall be appointed by the Mayor (Positions 1 through 7) of the City of Houston, Texas (the "City") and City Council (Position 8). Each position shall have a term of office of three years. The initial terms of office for Directors serving in Positions 1, 3, 5, and 7 shall expire on January 1, 2018 and on the same date on each third successive year thereafter. The initial terms of office for Directors serving in Positions 2, 4, 6, and 8 shall expire on January 1, 2019 and on the same date on each third successive year thereafter. Any subsequent appointments or reappointments shall be made by the Mayor and City Council in a manner consistent with the appointment and confirmation process prescribed in the HCE Inc. Certificate of Formation. To be qualified to serve as a Director, a person must be at least eighteen (18) years old. A majority of the Directors must be residents of the City. The Director of the Mayor's Office of Special Events shall serve as an ex-officio, non-voting member of the Board.

Section 3. Vacancies. In the event of a vacancy in Positions 1 through 7 on the Board, the Mayor shall appoint a successor who shall serve out the unexpired term of his or her predecessor. In the event of a vacancy in Position 8 on the Board, City Council shall appoint a successor who shall serve out the unexpired term of his or her predecessor.

Section 4. Removal. The Mayor may remove any Director serving in Positions 1 through 7 and City Council may remove the Director serving in Position 8 for the following reasons:

1. Four consecutive absences from the regular meetings of the Board;
2. Failure to abstain in votes or activities of HCE Inc., where direct or indirect conflicts of interest are, or may be involved; or
3. For conduct, whether or not resulting in a conviction, which impairs or brings discredit upon the Directors of HCE Inc.

Section 5. Compensation. Directors will not be compensated for their services as Directors; however, they will be reimbursed for reasonable and necessary expenses.

ARTICLE IV **OFFICERS**

Section 1. Officers. The officers of HCE Inc. shall consist of the Board Chair, a President, one or more Vice Presidents, a Secretary and a Treasurer. The Board may elect or appoint such other officers as it shall deem necessary and such officers shall have the authority and perform the duties prescribed from time to time by the Board.

Section 2. Election and Term of Office. Except for the Board Chair who is appointed by the Mayor, the officers of HCE Inc. shall be elected annually by the Board at the first regular quarterly meeting of the fiscal year of HCE Inc. If the election of officers is not held at such meeting, such election shall be held as soon thereafter as convenient. New offices may be created and filled at any meeting of the Board. Each officer shall hold office until his successor has been duly qualified and elected.

Section 3. Removal. Any officer elected by the Board may be removed by a majority vote of the Board whenever in its judgment the best interests of HCE Inc. would be served thereby. The Board Chair may only be removed by the Mayor.

Section 4. Board Chair. The Board Chair shall preside at all meetings of the Board. The Board Chair shall have and perform such other duties as may be prescribed by the Board from time to time.

Section 5. President. The President shall be the principal executive officer of HCE Inc. and shall in general supervise and control all of the business and affairs of HCE Inc. The President may sign, with the Secretary or any other proper officer of HCE Inc. authorized by the Board, any deeds, mortgages, bonds, contracts or other instruments which the Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board or by these bylaws, or by statute to some other officer or agent of HCE Inc.; and in general the President shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time.

Section 6. Vice President. In the absence of the President or in the event of the President's inability or refusal to act, the Vice President shall perform the duties of the President, and when acting shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall perform such other duties as from time to time may be assigned by the President or the Board.

Section 7. Secretary. The Secretary shall keep the minutes of the meetings of the Board in one or more books provided for that purpose; give all notices in accordance with the provisions of these bylaws or as required by law; be custodian of HCE Inc. records; keep a register of the post office address of each Director to be furnished to the Secretary by each Director; and in general, perform all the duties incident to the office of Secretary and the other such duties as from time to time may be assigned by the President or by the Board. The Secretary may delegate their duties to any individual designated as the Secretary's representative to carry out such duties.

Section 8. Treasurer. The Treasurer shall have charge and custody of and be responsible for all funds and securities of HCE Inc.; receive and give receipts for monies due and payable to HCE Inc. from any source whatsoever, and deposit all such monies in the name of HCE Inc. in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of these Bylaws; and in general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the President or by the Board.

Section 9. Vacancies. A vacancy in any office (other than the Board Chair) because of death, resignation, disqualification or otherwise, may be filled by the Board.

ARTICLE V **ANNUAL ACCOUNTING PERIOD**

The fiscal year of HCE Inc. shall conform to the fiscal year of the City.

ARTICLE VI **RESIGNATION**

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.

ARTICLE VII **CONTRACTS, CHECKS, DEPOSITS AND FUNDS**

Section 1. Contracts. The Board may authorize any officer or officers, agent or agents of HCE Inc., in addition to the officers so authorized by these bylaws, to enter into any contract or execute an instrument in the name of and on behalf of HCE Inc., and such authority may be general or confined to specific instances.

Section 2. Checks, Drafts, Orders, Notes and other Evidences of Indebtedness.

All checks, drafts, or orders for the payment of money, notes or other evidences of indebtedness issued in the name of HCE Inc., shall be signed by such officer or officers, agents of HCE Inc. and in such manner as shall from time to time be determined by resolution of the Board. In the absence of such determination by the Board, such instruments shall be signed by two officers of HCE Inc.

Section 3. Deposits. All funds of HCE Inc. shall be deposited to the credit of HCE Inc. in such banks, trusts companies or other depositories as the Board may select and shall be held and managed in a manner consistent with Chapter 2256 of the Texas Government Code (the Public Funds Investment Act).

Section 4. Financial and Accounting Procedures. All HCE Inc. financial and accounting procedures shall be approved by the Director of the City of Houston Department of Finance ("Finance Director") and comply with the applicable provisions of Administrative Policy 2-10 ("AP 2-10").

ARTICLE VIII
BOOKS AND RECORDS

Section 1. Records. HCE Inc. shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board. HCE Inc. shall provide access to its books and records upon request by the Mayor, the Finance Director, or the City Controller in a manner consistent with Section 6.3.2.5 of AP 2-10. All books and records of HCE Inc. shall be available for public inspection in conformity with the Texas Public Information Act, Chapter 552, Texas Government Code.

Section 2. Reports. HCE Inc. shall provide an annual financial report to City Council as soon after the close of its fiscal year as practicable but not later than 90 days after the close of the fiscal year.

Section 3. Audits. HCE Inc. shall have an independent audit completed at the end of the fiscal year, by an auditor or accounting firm approved by the Board and the Finance Director. All audited financial statements shall be submitted to the City not later than 90 days after the close of the fiscal year.

Section 4. Money from Private Donors. If HCE Inc. receives any money from private donors, HCE Inc. shall provide a quarterly report to the Mayor, the Finance Director, or their designees, containing the name of the donor and the amount and purpose of the donation in a manner consistent with Section 6.3.2.8 of AP 2-10.

Section 5. Assisting the Finance Director. HCE, Inc. shall take such actions as necessary to enable the Finance Director to perform the duties imposed by Sections 6.4 and 6.5 of AP 2-10.

Section 6. Cumulative effect. The provisions of this article shall be cumulative of all applicable laws and City of Houston administrative policies and executive orders regarding generally accepted accounting principles and generally accepted government auditing standards applicable to Texas local government corporations.

ARTICLE IX
MISCELLANEOUS

Section 1. Amendments. Any of these Bylaws may be altered, amended or repealed, and new Bylaws may be adopted at any regular, annual or special meeting of the Board by the affirmative vote of a majority of the Board; provided, however, that ten (10) days' written notice of such meeting and the proposed amendment must be given to each Director by the Secretary or other officer calling the meeting. Notwithstanding any contrary provision, no amendment to the certificate of formation, bylaws or other corporate instrument shall be effective without the prior approval of the Mayor and the City Council of the City.

Section 2. Waiver of Notice. Whenever any notice is required to be given under the provisions of the Texas Non-Profit Corporation Act or under the provisions of the articles of incorporation or the Bylaws of HCE Inc. a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein shall be deemed equivalent to the giving of such notice.

These Initial Bylaws were approved at a meeting of the Board of Directors on the _____ day of _____, 2014.