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PATRICIA E. MERONOFF
WILLIAM S. THORNTON, JR.
JOSEPH N. BRIERS,
Associate

August 21, 2015

Janis Hampton
City Attorney
300 South Texas Avenue
Bryan, Texas 77803

RE: Research Valley Partnership, Inc. Bylaw amendment

Dear Janis:

The Research Valley Partnership, Inc. (the “RVP”) recently amended its bylaws to add additional voting members to its Board of Directors. It also made a slight change to provide for an extension of a member’s service on the board if that board member is an elected official. Those amendments are reflected on the enclosed redlined version of Article III of the RVP’s bylaws. Article VXII of the bylaws requires the approval of the cities of Bryan and College Station and Brazos County for any amendments made to Article III, but no other sections. The RVP Board has already voted and passed the amendment reflected in the enclosure. The Board understands that this change to its bylaws will not become effective until the City provides in writing its approval of these amendments.

The amendments to Article III, as approved by the RVP’s Board of Directors, strengthens the organization as a public-private economic development corporation and its partnership between community, university, and private sectors. The addition of the appointments by the Vice Chancellor for Engineering - Texas A&M System and the Vice Chancellor for Agriculture and Life Sciences – Texas A&M University System are critical as the community, through the efforts of the RVP, continues on its path of becoming the Research Valley. As economic development “magnets”, their seats at the table, while in no way diluting the authority or role of the Cities and County, are critical to the RVP’s economic development strategy. While both TEES and Agrilife are financial contributors in the RVP related activities, they more importantly bring intangible benefits beyond direct financial contribution such as global connectivity and industry connections.

My client, by this letter, is seeking the approval of the City for the enclosed amendments. Please pursue those procedures or actions that you deem appropriate for the City in considering and hopefully approving these amendments. My client would respectfully request that you reply in writing within 30 days of this request.

If you have any questions relative to this matter, please do not hesitate to contact me.

Sincerely,


Patricia E. Meronoff

Enclosures (as stated)
cc: Todd McDaniel

ARTICLE III.
APPOINTMENT AND QUALIFICATIONS OF DIRECTORS

The Directors shall be appointed in the following manner: three (3) shall be appointed by the City Council of Bryan, three (3) shall be appointed by the City Council of College Station, three (3) shall be appointed by the Brazos County Commissioner's Court, one (1) shall be appointed by the President of Texas A&M University, ~~two (2)~~ three (3) shall be appointed by The Partnership, one (1) shall be appointed by the Bryan-College Station Chamber of Commerce, two (2) shall be appointed by the Invest Research Valley Leadership Council, one (1) shall be appointed by the Executive Vice President and Chief Executive Officer of the Texas A&M Health Science Center, one (1) shall be appointed by the Vice Chancellor of Engineering - Texas A&M University System, one (1) shall be appointed by the Vice Chancellor for Agriculture and Life Sciences - Texas A&M University System and one (1) shall be appointed by the President of Blinn College's Brazos County Campuses.

No more than two (2) appointees representing the City of Bryan, City of College Station and Brazos County to The Partnership Board shall be an elected member of City Council or Commissioner's Court. In addition to duties of The Partnership board members outlined herein, it shall be the duty of these elected officials to serve a liaison function between The Partnership and the governing body of the governmental entity from which they were appointed. Such liaison role may include providing periodic reports on the activities and plans of The Partnership to the governmental body and communication of the priorities of the governing body to The Partnership Board. The remaining non-elected representatives of the cities and county shall meet whatever qualifications the entity may establish. At such time that the appointed elected representative should cease to be an elected official, he/she will be required to resign The Partnership Board position and the governmental entity affected will appoint a new representative from the entity to fill the vacant position.

The Bryan City Manager and the College Station City Manager shall serve as ex-officio members of the Board of Directors, without vote. The Bryan Independent School District and College Station Independent School District Superintendents shall also serve as ex-officio members of the Board of Directors, without vote. The Chamber representative will be appointed for a one-year term.

No voting Director may serve more than one unexpired term, plus two (2) consecutive three (3) year terms as Director of the Corporation except as noted below regarding Immediate Past Chairman and elected officials. Any Director of the Corporation who is ineligible for immediate reappointment under the preceding sentence is ineligible for reappointment for a period of one (1) year following the expiration of his term.

Notwithstanding the ineligibility of the Immediate Past Chairman, pursuant to the preceding paragraph, to continue to serve on the Board, the Immediate Past Chairman shall continue to serve as a voting member of the Board and a voting member of the Executive Committee until the end of the term of the then serving Chairman.

Elected officials may be appointed for ~~an~~ additional terms or partial terms by their respective City Councils and Commissioners Court, not to exceed their term as an elected official.

BYLAWS
OF
The Research Valley Partnership, Inc.

ARTICLE I.
PURPOSE

The purpose of The Research Valley Partnership, Inc. (The Partnership) is to be a catalyst for economic growth in The Research Valley without regard to municipal boundary, which engages higher education and private industry in order to achieve sustainable / high-quality economic development success. The Research Valley Partnership helps grow, expand, and attract non-retail business to the Research Valley through its planning, services, and support.

ARTICLE II.
DIRECTORS AND OFFICERS

This Corporation shall have the following voting Directors and Officers: twenty (20) Directors, and four (4) ex-officio members as described below in Article III, provided that the number may be increased or decreased from time to time by an amendment to these Bylaws, but no decrease shall have the effect of shortening the term of any incumbent Director, nor shall the total number of Directors be less than three (3) at any time. The Directors shall elect from their members a Chairman, Chairman-elect, and a Treasurer. The Chairman shall appoint the office of Secretary. All other Officers shall be required to be voting Directors of the Corporation.

ARTICLE III.
APPOINTMENT AND QUALIFICATIONS OF DIRECTORS

The Directors shall be appointed in the following manner: three (3) shall be appointed by the City Council of Bryan, three (3) shall be appointed by the City Council of College Station, three (3) shall be appointed by the Brazos County Commissioner's Court, one (1) shall be appointed by the President of Texas A&M University, three (3) shall be appointed by The Partnership, one (1) shall be appointed by the Bryan-College Station Chamber of Commerce, two (2) shall be appointed by the Invest Research Valley Leadership Council, one (1) shall be appointed by the Executive Vice President and Chief Executive Officer of the Texas A&M Health Science Center, one (1) shall be appointed by the Vice Chancellor for Engineering, Texas A&M University System, one (1) shall be appointed by the Vice Chancellor for Agriculture and Life Sciences, Texas A&M University System and one (1) shall be appointed by the President of Blinn College's Brazos County Campuses.

No more than two (2) appointees to The Partnership Board representing the City of Bryan, City of College Station and Brazos County shall be an elected member of City Council or Commissioner's Court. In addition to duties of The Partnership Board members outlined herein, it shall be the duty of these elected officials to serve a liaison function between The Partnership and the governing body of the governmental entity from which they were appointed. Such liaison roles may include providing periodic

reports on the activities and plans of The Partnership to the governmental body and communication of the priorities of the governing body to The Partnership Board. The remaining non-elected representatives of the cities and county shall meet whatever qualifications the entity may establish. At such time that the appointed elected representative should cease to be an elected official, he/she will be required to resign The Partnership Board position and the governmental entity affected will appoint a new representative from the entity to fill the vacant position.

The Bryan City Manager and the College Station City Manager shall serve as ex-officio members of the Board of Directors, without vote. The Bryan Independent School District and College Station Independent School District Superintendents shall also serve as ex-officio members of the Board of Directors, without vote. The Chamber representative will be appointed for a one-year term.

No voting Director may serve more than one unexpired term, plus two (2) consecutive three (3) year terms as Director of the Corporation except as noted below regarding Immediate Past Chairman and elected officials. Any Director of the Corporation who is ineligible for immediate reappointment under the preceding sentence is ineligible for reappointment for a period of one (1) year following the expiration of his term.

Notwithstanding the ineligibility of the Immediate Past Chairman, pursuant to the preceding paragraph, to continue to serve on the Board, the Immediate Past Chairman shall continue to serve as a voting member of the Board and a voting member of the Executive Committee until the end of the term of the then serving Chairman.

Elected officials may be appointed for additional terms or partial terms by their respective City Councils and Commissioner's Court, not to exceed their term as an elected official.

ARTICLE IV. ELECTION OF OFFICERS

The Nominating Committee will be made up of the Chairman, Chairman-elect, Immediate Past Chairman and a representative of the City of Bryan, the City of College Station and Brazos County.

The Officers, other than the Directors, shall be elected at the annual meeting of the Board of Directors provided for herein, and the Directors shall elect said Officers as provided for herein from among their number. Each Director shall be entitled to one vote and it shall require a majority vote to elect any Officer. The Officers shall hold office at the pleasure of the Board of Directors.

ARTICLE V. TERM OF OFFICE FOR THE OFFICERS

The Officers of the Corporation shall be elected annually in the manner provided for above. The term of the office shall run from June 1 of each year through May 31 of the following year. Each Director and Officer shall serve from the date of his election and qualification until his successor is elected and duly qualified.

Nomination as Chairman requires one year's experience on The Partnership Board of Directors. Each Officer is elected to serve for twelve months unless requested otherwise by the majority of The Partnership Board of Directors.

ARTICLE VI. EXECUTIVE COMMITTEE

The Executive Committee shall consist of the Chairman, Chairman-elect, Treasurer, Immediate Past Chairman, Secretary and President/CEO. Meetings of the Executive Committee may be called by the Chairman or the Chairman-elect in the absence of the Chairman. The duties of the Executive Committee shall be to review prospect proposals and existing business proposals prior to presentation to the Board of Directors and other duties as may be assigned by the Board of Directors.

The Executive Committee will meet as needed to address projects and other business, as noted above, in a timely manner. The President/CEO and Secretary will be present, but will have no vote.

ARTICLE VII. MEETING OF THE BOARD OF DIRECTORS

The Board of Directors shall have one annual meeting at which meeting the Board of Directors shall, by majority vote, elect the Officers of the Corporation. No Officer shall be appointed for a term exceeding three (3) years. In addition, the Board of Directors shall meet upon the call of the Chairman or Chairman-elect, as the case may be, and it shall meet at such time and place as directed by the Officer calling the meeting. Such calls shall be made by personal notification. A majority of the voting Board of Directors will constitute a quorum, and if a quorum be present, then any manner of business may be attended to and the Corporation be bound. The place and time of all Board of Directors meetings shall be set by the Chairman or by the Chairman-elect in the absence of the Chairman.

ARTICLE VIII. FILLING OF VACANCIES ON THE BOARD AND OFFICERS

In the case of the death or resignation of any Officer or Director, or the refusal or inability of an Officer or Director to perform the duties of his office, the Board of Directors shall have the privilege to declare a vacancy on the Board or in the office, and such vacancy shall be filled for such unexpired term in the same manner as provided for regular appointments.

Any Directorship to be filled by reason of an increase in the number of Directors shall be filled by appointment by the entity that the new Director represents. Such newly created Directorship shall be for an initial term of one (1) year, or if more than one Directorship is created, for staggered terms not to exceed two (2) years, thereafter each such Director shall serve for a period of three (3) years.

ARTICLE IX.
CONFLICTS OF INTEREST

Policy Statement

No person who has a conflict of interest may vote on, or otherwise participate in the evaluation, authorization or approval of the affected transaction, except to be counted in determining the presence of a quorum at any meeting of the Board of Directors at which the affected transaction is approved.

No conflict of interest policy can provide rules to cover every circumstance; therefore, each person should make every effort to disclose any potential or perceived conflict of interest.

Definitions

A. Conflict of interest shall mean:

- i. The direct solicitation of or receipt of anything of value by any business or business entity in which a person has a substantial interest, and where such direct solicitation or receipt of anything of value is toward or from a business prospect which is actively involved in a transaction with the Corporation. For purposes of this definition, a direct solicitation or receipt of anything of value, as previously referenced, will only create a conflict of interest if such solicitation or receipt arises directly as a result of such person's position with the Corporation; and
- ii. Any situation in which a person has an interest in a matter before the Corporation which is inconsistent and incompatible with the interest of the Corporation.
- iii. Any ownership interest by a person in a privately-held business which is actively involved in a transaction with the corporation and/or currently receiving incentives from the corporation.

B. Person shall mean any Officer, Director, agent or employee of the Corporation.

C. Transaction shall mean any occasion when a business prospect is requesting, negotiating, or attempting to obtain economic incentives or benefits from or through the Corporation.

D. Substantial interest shall mean:

- i. A person owns or possesses ten percent (10%) or more of the interests in a business entity (whether in the form of stock, partnership interests or otherwise), or
- ii. A person owns or possesses an interest (with a fair market value equal to or greater than Seven Thousand Five Hundred and No/100 Dollars (\$7,500.00) in a business entity; and
- iii. A person received more than ten percent (10%) of such person's gross income in the prior year from a business entity.

Procedure for Disclosing and Resolving a Conflict of Interest

- A. Any person who has a conflict of interest shall disclose such conflict of interest to the Executive Committee immediately upon obtaining knowledge of such conflict of interest. Upon making the report of a conflict of interest, the person making the report shall not participate in the evaluation, authorization, or approval of the affected transaction unless and until the Executive Committee advises such person that the subject of the report is not a conflict of interest.
- B. The Executive Committee shall evaluate the reported conflict of interest and shall determine whether or not the reported conflict is, in fact, a conflict of interest as defined herein. In making its decision, if a member of the Executive Committee has reported a conflict of interest, the Executive Committee shall refer the report to the full Board of Directors for a final determination.
- C. The Executive Committee shall inform the person making the report of the Committee's or the Board's final decision.
- D. In the event that it is finally determined that a person has a conflict of interest, such person shall not continue to participate in the evaluation, authorization, or approval of the affected transaction, except to be counted in determining the presence of a quorum at any meeting of the Board of Directors at which the affected transaction is approved. Any ownership interest in a privately-held company (see Definitions A. iii.) will require such person to resolve the conflict or resign their position with the Corporation.

Transactions Not Void or Voidable

- A. A transaction involving a conflict of interest, as herein defined, which was evaluated, authorized, consummated or approved by the Corporation, is not void or voidable solely for that reason, solely because the person with the conflict of interest was present at or participated in the meeting of the Board, or solely because the vote of the person with the conflict of interest was counted for that person, if:
 - i. The material facts as to the conflict of interest and as to the transaction are disclosed or are known to the Board, and the Board in good faith and with ordinary care authorizes the transaction by the affirmative vote of a majority of the disinterested Directors, even though the disinterested Directors are less than a quorum; or
 - ii. the transaction is fair to the Corporation when it is authorized, approved, or ratified by the Board.

ARTICLE X.
DUTIES OF DIRECTORS

Directors shall exercise ordinary business judgment in managing the affairs of the Corporation. Directors shall owe a duty of loyalty and care with respect to the interests of the citizens of Brazos County. In acting in their official capacity as Directors of this Corporation, Directors shall act in good faith and take actions they reasonably believe to be in the best interest of the Corporation and that are not unlawful. In all other instances, the Board of Directors shall not take any action they should reasonably believe would be opposed to the Corporation's best interests or would be unlawful. Directors will keep confidential all matters discussed in Executive Session.

Each Director has a responsibility to stay abreast of all Partnership business through regular attendance of all Board meetings. Any member of the Board of Directors may be removed from office upon notification of appointing entity if such member fails to attend at least two thirds of the meetings of the Board for any six-month period during which the appointee is a member of the Board. Excused absences will be granted by the Chairman of The Partnership for reasons of personal or professional emergencies or health.

Board meeting attendance will be taken fifteen minutes after the commencement of each meeting. The Secretary will track attendance and report to the Chairman on a quarterly basis.

ARTICLE XI.
DUTIES OF THE CHAIRMAN

The Chairman shall preside at all meetings of the Board of Directors. He shall have all the general powers and duties which are usually vested in the office of Chairman of a non-profit corporation. The Chairman shall have the power to sign checks, warrants, and vouchers whereby the funds of the Corporation will be disbursed; however, such checks must be, in all cases, countersigned by another Officer. In the absence of the President/CEO, the Chairman will perform the duties of the President/CEO. The Chairman shall perform such other duties as shall properly relate to his office, and such other duties as may be required of the position from time to time by the Board of Directors.

ARTICLE XII.
DUTIES OF THE CHAIRMAN-ELECT

The Chairman-elect shall act for and assume the power of the Chairman in the absence of the Chairman or upon refusal or inability of the Chairman to act. The Chairman-elect shall have the power to sign checks, warrants, and vouchers whereby the funds of the Corporation will be disbursed; however, such checks must be, in all cases, countersigned by another Officer. The Chairman-elect shall perform such other duties as shall properly relate to his office and such other duties as may be required of the position from time to time by the Board of Directors.

ARTICLE XIII.
DUTIES OF THE SECRETARY

The President/CEO shall recommend a staff person to the Chairman to serve as Secretary. The Secretary shall keep a correct set of typed minutes of all meetings of the Board of Directors in a loose-leaf book provided especially for that purpose. The said minutes shall be open at any time to the inspection of any Director of this Corporation or any appointed or elected official of any entity which appoints Directors to this Corporation at any time. The Secretary shall also have possession of and be responsible for keeping the Seal of the Corporation and shall attest and affix the Corporate Seal to every contract in writing executed by the Corporation. The Secretary shall have charge of such books and papers as the Board of Directors may direct and shall, in general, perform all the duties incident to the office of the Secretary, and such other duties as may be required of the position from time to time by the Board of Directors.

ARTICLE XIV.
DUTIES OF THE TREASURER

The Treasurer of the Corporation shall maintain a copy of the records reflecting the financial condition of the Corporation at all times. Such records shall be open at any time to inspection by any Director of the Corporation and any appointed or elected official of any entity which appoints Directors to this Corporation. In addition, it shall be the duty of the Treasurer to monitor the expenditure of the funds of the Corporation. The Treasurer shall have the power to sign checks, warrants, and vouchers whereby the funds of the Corporation will be disbursed; however, such checks must be, in all cases, countersigned by another Officer. The Treasurer shall perform all other duties assigned to the Treasurer by the Board of Directors, including that the Treasurer shall countersign the checks issued by the Corporation whenever possible. The Treasurer shall hold the position and perform the duties of Secretary in the Secretary's absence.

ARTICLE XV.
REAL ESTATE TRANSACTIONS

All sales or conveyances or mortgages of real estate owned or held by the Corporation shall be in writing, signed and acknowledged by the Chairman, or Chairman-elect in case of the absence, refusal, or inability of the Chairman to act, and the Secretary shall attest such conveyance under the official seal of the Corporation. No real estate shall be purchased, sold, mortgaged, or otherwise disposed of unless the transaction shall first have been ordered by resolution passed by the Board of Directors. These same requirements shall apply to leases made upon the property of the Corporation, including loans, pledging of assets, and multi-year contracts subject to \$10,000 not previously budgeted.

ARTICLE XVI.
MANAGEMENT AND DUTIES OF THE PRESIDENT/CEO

The Corporation shall select, employ and monitor the performance of a competent President/CEO, qualified by education and experience, who shall be responsible for the management of the Corporation.

The authority and duties of the President/CEO shall be the following:

- a. to carry out all policies established by the Board of Directors and the Corporation through the current Chairman;
- b. to prepare an annual budget showing the expected receipts and expenditures of the Corporation;
- c. develop and maintain personnel policies and practices for the Corporation as approved by the Board of Directors. Select, employ, supervise and discharge employees;
- d. to supervise the business affairs of the Corporation;
- e. to present to the Board of Directors and any entity which appoints Directors to this Corporation, periodic reports reflecting the services and financial activities of the Corporation and prepare and submit any special report as may be required by the above-mentioned Board and entities;
- f. to attend all meetings of the Board of Directors and any meetings of the City Councils of Bryan and College Station, Brazos County Commissioner's Court, and the Bryan-College Station Chamber of Commerce as may be required; and
- g. to perform any and all other duties that may be necessary in the best interest of the Corporation.
- h. The CEO has an obligation to inform the Board of concerns that the Chairman is giving perceived direction contrary to the Board of Directors.

The Board of Directors shall assume supervision over the affairs of the Corporation with the exception that the President/CEO shall have such authority and powers as necessary to carry on the general everyday business of the Corporation.

The President/CEO shall keep an accurate set of records reflecting the financial condition of the Corporation at all times. Such records shall be open at any time to inspection by any Director of the Corporation or any appointed or elected official of any entity which appoints Directors to this Corporation. In addition, it shall be the duty of the President/CEO to supervise the expenditure of the funds of the Corporation and may sign checks, warrants, and vouchers whereby the funds of the

Corporation will be disbursed; however, such checks must be, in all cases, countersigned by another Officer.

ARTICLE XVII.
AMENDMENTS AND BYLAWS

The Bylaws, except Article III hereof which requires the approval of the Cities of Bryan and College Station, and Brazos County, may be altered, changed, or amended by the majority vote of all the Directors of the Corporation at any Directors meeting specially called for that purpose by the Chairman. Upon written application of a majority of the Board of Directors, the Chairman shall be required to call such a Directors meeting.

ARTICLE XVIII.
SALARIES

The salaries of the President/CEO and any other full or part-time employees of the Corporation shall be set by the Board of Directors annually during the budget process. Employee salary increases, with the exception of the President/CEO, resulting from annual performance evaluations shall be determined by the President/CEO at the time of the evaluation to the extent that the increases fall within the budget approved by the Board of Directors.

ARTICLE XIX.
NON-PROFIT CORPORATION

This Corporation is not organized for profit. No member of the Board of Directors or person from whom the Corporation may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Corporation be paid as a salary or as compensation to, or distributed to or inure to the benefit of any member of the Board of Directors; provided, however, always (1) upon prior authorization of the Board that reasonable compensation may be paid to any member while acting as any agent or employee of the Corporation for services rendered in effecting one or more of the purposes of the Corporation, and (2) that any member of the Board of Directors may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Corporation.

ARTICLE XX.
REGISTERED AGENT AND PRINCIPAL OFFICE

The Corporation's registered office must be maintained in Texas at the address of the registered agent. The Corporation's registered office need not be a place of business of the Corporation. The Directors may change the registered office, registered agent or both by making the appropriate filing with the Texas Secretary of State. The Corporation's principal office will be at the place the Director's designate and need not be in Texas. Corporation records will be maintained at the Corporation's principal office.

ARTICLE XXI.
CORPORATE SEAL

The Directors shall provide a Corporate Seal which shall be circular in form and shall have inscribed thereon the name of the Corporation.

ARTICLE XXII.
MEETING GOVERNANCE

It will be the intent of all official meetings of The Partnership to generally follow the intent of the latest revision of Robert's Rules of Order. This Article will be applicable to the Board of Directors meetings, Executive Committee meetings, and all other committees, standing and ad hoc.

ARTICLE XXIII.
SPECIAL MEETINGS

Special meetings of the Board of Directors may be held at any time upon the call of the Chairman or any two Directors. If a special meeting is called, the parties calling the meeting shall notify the President/CEO of the agenda items. The Secretary of the Corporation shall thereafter notify all of the Directors of the meeting and of the items on the agenda.

ARTICLE XXIV.
QUORUM

A simple majority of the voting Directors fixed by these Bylaws shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, and a majority vote of those present shall be required for the approval of any action.

ARTICLE XXV.
BUDGETS AND FINANCING

The Corporation shall submit its financing request to the Cities of Bryan and College Station and Brazos County, as requested. The Corporation's fiscal year shall be from October 1 through September 30, so as to coincide with the fiscal years of the Cities of Bryan and College Station and Brazos County.

ARTICLE XXVI.
LIABILITY AND INDEMNIFICATION

(a) The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, or suit or proceeding, whether civil, criminal, administrative or investigative and any appeal of such suit, action or proceeding by reason of the fact that he/she is or was a Director, Officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a Director, Officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise against

judgments, penalties, fines, settlements and expenses (including attorney's fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he is found, pursuant to the requirements and procedure set forth in paragraph (d) below, to have met the standard of conduct necessary for indemnification hereunder. If a person defined above is found liable to the Corporation or is found liable on the basis that a personal benefit was improperly received by that person, the indemnification by the Corporation shall be limited to reasonable expenses actually incurred. No indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for willful or intentional misconduct in the performance of his duty to the Corporation.

(b) The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, or itself, create a presumption that the person did not meet the requirements set forth below at section (d). A person shall be deemed to have been found liable in respect of any claim, issue or matter only after the person shall have been so adjudged by a court of competent jurisdiction after exhaustion of all appeals therefrom.

(c) Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding, and prior to the determination required by paragraph (d) hereof, upon receipt of: (i) an unlimited general obligation or undertaking by or on behalf of the Director, Officer, employee or agent to repay such amount unless it shall ultimately be determined that he/she is entitled to be indemnified by the Corporation as authorized in this section, and (ii) a written affirmation by the Director, Officer, employee or agent of his good faith belief he has met the standard of conduct necessary for indemnification hereunder.

(d) The indemnification hereunder shall be made only upon a determination in the specific case that indemnification is proper in accordance with the following standards: the person (i) conducted himself in good faith; (ii) reasonably believed (a) in the case of conduct taken in his official capacity, his conduct was in the Corporation's best interest, and (b) in all other cases, his conduct was not at least opposed to the Corporation's best interest; and (iii) in criminal cases had no reasonable cause to believe his conduct was unlawful. Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding, or (2) if a quorum cannot be obtained, by a majority vote of a committee of the board of Directors designated to act in this matter by a majority vote of all Directors, consisting solely of two (2) or more Directors, not named defendants or respondents, or (3) by the written opinion of special legal counsel selected by the Board of Directors or a committee of the Board by vote as set forth in (1) and (2) above or, if such a quorum cannot be obtained and such a committee cannot be established, by a majority vote of all Directors.

(e) The Corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a Director, Officer, employee or agent of another Corporation, partnership, joint venture, trust, employee benefit plan or other enterprise against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such,

whether or not the Corporation would have the power to indemnify him against such liability under the provision of this section.

(f) Any indemnification or advance of expenses in accordance with this article shall be reported to the members in writing with or before the (i) notice or waiver of notice of the next meeting, or (ii) consent to action without meeting, but in any case no later than twelve (12) months from the date of indemnification or advance.

FILED
In the Office of the
Secretary of State of Texas

JUN 07 1989

Clerk (B)
Corporation Section

ARTICLES OF INCORPORATION

OF

BRYAN/COLLEGE STATION ECONOMIC DEVELOPMENT CORPORATION

(Non-Profit Corporation)

We, the undersigned and natural persons of the age of eighteen years or more, and being citizens of the State of Texas, acting as incorporators of a corporation under the Texas Non-Profit Corporation Act, do hereby adopt the following Articles of Incorporation for such corporation:

ARTICLE I

CORPORATE NAME

The name of this corporation is BRYAN/COLLEGE STATION ECONOMIC DEVELOPMENT CORPORATION.

ARTICLE II

CORPORATE STATUS

The corporation is a non-profit corporation.

ARTICLE III

DURATION

The period of its duration is perpetual.

ARTICLE IV

PURPOSES

This corporation is formed strictly as a civic undertaking to establish, coordinate the economic development of Bryan, College Station and Brazos County.

This corporation shall have and exercise any and all powers, rights and privileges which a corporation organized under the Non-

Profit Corporation Act of the State of Texas may by law now or hereafter have or exercise; provided that none of the objectives or purposes herein set out shall be construed to authorize the corporation to do any act in violation of said Non-Profit Corporation Act or Part Four of the Texas Miscellaneous Corporation Laws Act, and all such objectives or purposes are subject to said acts.

ARTICLE V

ADDRESS

The street address of the initial registered office of the Corporation is c/o CT Corp System, 811 Dallas Ave., Houston, Texas, 77802, and the name of its initial registered agent at such address is CT Corp System.

ARTICLE VI

DIRECTORS

The affairs of the corporation shall be managed by a Board of Directors being appointed by the City Council of the City of Bryan, the City Council of the City of College Station, the Brazos County Industrial Foundation and the Bryan/College Station Chamber of Commerce. The number of directors shall be set, from time to time, as provided by the By-Laws of the corporation. The number of directors constituting the initial board of directors is nine (9) and the names and addresses of the persons who are to serve as the initial directors are:

<u>Name</u>	<u>Address</u>
Steve Arden	4103 S. Texas Avenue #100 Bryan, TX 77802

M.L. Cashion	P.O. Box 3889 Bryan, TX 77805
Larry Catlin	1701 Briarcrest Suite 102 Bryan, TX 77802
Pat Cornelison	P.O. Box 10000 College Station, TX 77840
Dick Haddox	P.O. Box 3889 Bryan, TX 77805
Ronald E. Hale	P.O. Drawer 913 Bryan, TX 77805
Ken Shaw	P.O. Box 3158 Bryan, TX 77805
Bill Thornton	P.O. Drawer E Bryan, TX 77805
Ed Wagoner	P.O. Box 3889 Bryan, TX 77805

ARTICLE VII

INCORPORATOR

The name and address of each incorporator is:

<u>Name</u>	<u>Address</u>
William S. Thornton	P.O. Drawer E Bryan, TX 77805
Ronald E. Hale	P.O. Drawer 913 Bryan, TX 77805

ARTICLE VIII

DISSOLUTION AND AMENDMENT

Upon dissolution of the corporation, other than incident to merger or consolidation, the assets, if any, of the corporation, shall be granted, conveyed and assigned to another non-profit corporation as agreed upon by the Board of Directors.

Dissolution of the corporation must be approved in writing by not less than two-thirds (2/3) of the Directors.

ARTICLE IX

CONFLICT OF INTEREST

Directors and employees may not do any of the following:

1. Participate in a vote or decision on a matter involving a business entity in which the director or employee has a substantial interest, if it is reasonably foreseeable that an action on the matter would confer an economic benefit to the business entity involved. A director or employee is said to have a substantial interest in a business under the following circumstances:

a. The interest or ownership of ten percent (10%) or more of the voting stock or shares of the business entity or ownership, \$2,500 or more of the fair market value of the business entity; or

b. Funds received by the person from the business entity exceed ten percent (10%) of the person's gross income for the previous year.

c. A person has a substantial interest in real property if the interest is an equitable or legal ownership with a fair market value of \$2,500 or more.

2. Act as a surety for a business entity that has a contract, does work or other business with the corporation; or

3. Act as a surety on an official bond required of an officer of the corporation.

IN WITNESS WHEREOF, the undersigned, has hereunto set my hand
this the 2nd day of June, 1989.

William S. Thornton
WILLIAM S. THORNTON
Ronald E. Hale
RONALD E. HALE

STATE OF TEXAS §
 §
COUNTY OF BRAZOS §

Before me, a Notary Public, on this day personally appeared William S. Thornton, known to be to be the person whose names is subscribed to the foregoing document and, being by me first duly sworn, severally declared that the statements therein contained are true and correct.

Given under my hand and seal of office this the 2nd day of June, 1989.



Katherine Scasta
Notary Public, State of Texas
My Commission Expires: 2-21-93

STATE OF TEXAS §
 §
COUNTY OF BRAZOS §

Before me, a Notary Public, on this day personally appeared Ronald E. Hale, known to be to be the person whose names is subscribed to the foregoing document and, being by me first duly sworn, severally declared that the statements therein contained are true and correct.

Given under my hand and seal of office this the 5th day of June, 1989.



Katherine Scasta
Notary Public, State of Texas
My Commission Expires: 2-21-93

