

TAX INCREMENT REINVESTMENT ZONE NUMBER THREE (No. 3)
TOMBALL, TEXAS
BYLAWS

ARTICLE I

Powers and Purpose

Section 1. Purpose.

Tomball Tax Increment Reinvestment Zone No. 3 was created with the purpose and intent of helping to develop a currently undeveloped area of the City.

Section 2. Financing Development or Redevelopment in the Zone.

In order to implement the purposes for which Tomball Tax Increment Reinvestment Zone No. 3 (the “Zone”) was formed, as set forth in Ordinance No. 2021-39, dated December 6, 2021, creating the Zone, the City of Tomball, Texas (the “City”) may issue obligations to finance all or part of the cost of implementing the “project plan” for the Zone as defined in the Tax Increment Financing Act of the Tax Code, Chapter 311, Vernon’s Texas Codes Annotated, (the “Act”).

Section 3. Books and Records: Approval of Programs and Financial Statements.

The Board of Directors shall keep correct and complete books and records of account and shall also keep minutes of its proceedings and the proceedings of committees having any of the authority of the Board of Directors. All books and records of the Zone may be inspected by any director or his agent or attorney for any proper purposes at any reasonable time; and at all times the City Council and the City Manager will have access to the books and records of the Zone. The City Council must approve all programs and expenditures for the Zone and annually review any financial statements of the Zone.

ARTICLE II

Board of Directors

Section 1. Powers, Number, and Term of Office.

- (a) The Board of Directors of the Zone shall consist of five (5) members, including any members appointed by the participating taxing jurisdictions. The City of Tomball is the only participating jurisdiction, so all five (5) members shall be appointed by the City Council. All members of the Board of Directors shall meet eligibility requirements as set forth in Chapter 311 of the Texas Tax Code.
- (b) The directors appointed shall serve staggered two (2) year terms. During the initial meeting of the Board of Directors, the directors shall select, by lottery, which two (2) directors shall

serve an initial two (2) year term, and which three (3) shall serve an initial one (1) year term. All subsequent appointments shall be for staggered two (2) year terms.

- (c) A vacancy on the Board of Directors is filled for the unexpired term by appointment of the governing body of the taxing unit that appointed the director who served in the vacant position.
- (d) Each year the City Council shall annually designate one (1) member of the Board of Directors to serve as chairman for a one (1) year term that begins on January 1st of the following year. The Board of Directors shall elect from its members a vice chairman to preside in the absence of the chairman or when there is a vacancy in the office of chairman. The Board of Directors may elect other officers as it considers appropriate.
- (e) The Board of Directors shall make recommendations to the City Council concerning the administration, management, and operation of the Zone. The Board shall prepare and adopt a project plan and a reinvestment zone financing plan for the Zone and submit such plans to the City Council for its approval.
- (f) The Board of Directors shall perform all duties imposed upon it by Chapter 311 of the Texas Tax Code and all other applicable laws. The Board shall not be authorized to do any of the following without the consent of the City Council: (i) issue bonds; (ii) impose taxes or fees; (iii) exercise the power of eminent domain; (iv) give final approval to the Zone's project plan and financing plan; (v) give final approval for any project or reimbursement; or (v) spend TIRZ funds.

Section 2. Meetings of Directors.

The Directors shall hold their meetings as needed, with said meetings abiding by the Texas Open Meetings Act.

Section 3. Quorum.

A majority of the directors fixed by the Ordinance creating the Zone shall constitute a quorum. For the consideration of matters pertaining to the purposes of the Zone. The act of a majority of the directors present at a meeting at which a quorum is in attendance shall constitute the act of the Board of Directors, unless the act of a greater number is required by law.

Section 4. Conduct of Business.

At the meeting of the Board of Directors, matters pertaining to the purpose of the Zone shall be considered in such order as from time to time the Board of Directors may determine.

At all meetings of the Board of Directors, the Chairman shall preside, and in the absence of the Chairman, the Vice Chairman shall exercise the power of the Chairman.

The City Secretary or their designee shall act as secretary of all meetings of the Board of Directors, but in the absence of the City Secretary or their designee, the presiding officer may appoint any

person to act as secretary of the meeting. City staff shall provide notice of meetings and prepare meeting agendas. A copy of the approved minutes shall be submitted to the City Secretary within a reasonable time after approval.

Section 5. Compensation of Directors.

Directors shall not receive any salary or compensation for their services, except that they shall be reimbursed for their actual reasonable expenses incurred in the performance of their duties hereunder.

Section 6. Attendance.

Board members shall make every effort to attend all meetings of the Board and/or Committees. The City Council may replace a City appointee of the Board or request replacement of an appointee at any time and for any reason, including non-attendance at meetings.

ARTICLE III

OFFICERS

Section 1. Titles and Term of Office.

The officers of the Zone shall consist of a Chairman, a Vice Chairman, and such other officers as the Board of Directors may from time to time elect or appoint; provided however that the City Council shall, on an annual basis, appoint the Chairman whose term shall end on December 31st of each year. Terms of office for officers shall last for one year.

All officers, other than the Chairman, shall be subject to removal from office, with or without cause, at any time by a vote of the majority of the whole Board of Directors. The Chairman shall be subject to removal from office, with or without cause, at any time by a vote of the City Council.

A vacancy in the office of any officer, other than the Chairman, shall be filled by a vote of a majority of the Directors by the second regular meeting after the vacancy has occurred unless otherwise delayed by the Board.

Section 2. Powers and Duties of the Chairman.

The Chairman shall be the chief executive officer of the Board of Directors and, subject to the approval of the City Council, he/she shall be in general charge of the properties and affairs of the Zone and shall preside at all meetings of the Board of Directors. The Chairman shall have voting powers and shall be one of the five (5) board members.

Section 3. Vice Chairman.

The Vice Chairman shall have such powers and duties as may be assigned to him/her by the Board of Directors and shall exercise the powers of the Chairman during that officer's absence or inability to act. Any action taken by the Vice Chairman shall be conclusive evidence of the absence or inability to act of the Chairman at the time such action was taken.

Section 4. Secretary.

The City Secretary or their designee shall keep the minutes of all meetings of the Board of Directors and shall maintain the Zone's records.

Section 5. Compensation.

Officers shall not receive any salary or compensation for their services, except that they shall be reimbursed for their actual reasonable expenses incurred in the performance of their duties hereunder.

Section 6. Staff.

Staff functions for the Board of Directors may be performed by the City as directed by the City Manager or his designee. The City shall be reimbursed for the costs for such services performed in connection with the Zone.

ARTICLE IV

Provisions Regarding Bylaws

Section 1. Effective Date.

The Bylaws shall become effective upon the adoption of the bylaws by both the City Council and the Board of Directors.

Section 2. Amendments to Bylaws.

These Bylaws may be amended by majority vote of the Board of Directors, provided that the Board of Directors files with the City Council a written application requesting that the City Council approve such amendment to the Bylaws, specifying in such application, the amendment or amendments proposed to be made. If the City Council finds and determines that it is advisable that the proposed amendment be made, authorizes the same to be made and approves the form of the proposed amendment, the Board of Directors shall proceed to amend the Bylaws.

After consultation with the Board of Directors, the Bylaws may also be amended at any time by the City Council. The City Council can amend the Bylaws without consent or approval from the Board of Directors.

ARTICLE V

General Provisions

Section 1. 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 be specified, at the time of its receipt by the City Council. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

Section 2. Approval or Delegation of Power by the City Council.

To the extent that these Bylaws refer to any approval by the City, such approval of delegation shall be evidenced by a certified copy of the minutes, an ordinance, or a resolution.

ARTICLE VI

Ethics

Section 1. Conflicts of Interest.

Board members shall abide by the conflicts of interest laws set out in Section 171 of the Texas Local Government Code.

Section 2. Discussions.

In the interest of fairness, no discussion shall be held by a member or members of the Board with any property owners, applicants, or their representatives attempting to influence any Board Member concerning a proposed project, or any other matter before the Board. All such discussions shall be held at the public meeting called for that purpose so that all members of the Board shall have the full benefit of such discussion.

These bylaws were approved by the Tomball TIRZ No. 3 Board of Directors on the ____ day of _____, 2023.

These bylaws were approved by the Tomball City Council on the ____ day of _____, 2023.