City of Sugar Land

Sugar Land Town Square Development Authority Agenda

Sugar Land City Hall
2700 Town Center
Boulevard North
Sugar Land, TX 77479

Tuesday, January 20, 2026
Sugar Land Town Square Authority Development Meeting
Cane Room 161
4:30 PM

I. Attention

Members of the City Council, Board and/or Commission may participate in deliberations of posted agenda items through video conferencing means. A quorum of the City Council, Board and/or Commission will be physically present at the above-stated location, and said location is open to the public. Audio/Video of open deliberations will be available for the public to hear/view; and are recorded as per the Texas Open Meetings Act.

The meeting will live stream at https://youtube.com/live/E2Ce58Rjatc?feature=share

II. Call to Order

III. Public Comment

Pursuant to Texas Government Code section 551.007, citizens are permitted to address the City Council, Board and/or Commission in person with regard to matters posted for consideration on the agenda. Each speaker must complete a "Request to Speak" form and give it to the City Secretary or designee, prior to the beginning of the meeting.

Each speaker is limited to 3 minutes, speakers requiring a translator will have 6 minutes, regardless of the number of agenda items to be addressed. Comments or discussion by City Council, Board, and/or Commission members, will only be made at the time the subject is scheduled for consideration.

For questions or assistance, please contact the Office of the City Secretary (281) 275-2730.

IV. Minutes

A. **MINUTES**
Consideration of and action on the approval of the minutes from the December 5, 2023, meeting.
Linda Mendenhall, City Clerk

V. Election of Officers

A. **ELECTION OF OFFICERS**
Consideration of and action on election of a Vice Chairperson from the Board of Directors, as well as appoint a President, Vice President, Treasurer, Secretary, and other officers as deemed necessary.
Jessica Huble, Assistant Director of Redevelopment

VI. Contracts and Agreements

A. **LEASE ESTOPPEL CERTIFICATE**
Consideration of and action on the authorization of a Lease Estoppel Certificate regarding the Master Lease Agreement for the Sugar Land Town Square Plaza Kiosks, as amended, between the Sugar Land Town Square Development Authority and LCFRE Sugar Land Town Square LLC.
Jessica Huble, Assistant Director of Redevelopment

VII. Adjournment

The Sugar Land Development Corporation reserves the right to adjourn into Executive Session at any time during this meeting for the purpose of consultation with the Attorney as authorized by Texas Government Code Sections 551.071 to discuss any of the matters listed above.

If you plan to attend this public meeting and you have a disability that requires special arrangements at the meeting, please contact the City Secretary, (281) 275-2730. Requests for special services must be received 48 hours prior to the meeting time. Reasonable accommodations will be made to assist your needs.

The agenda and supporting documentation is located on the City Website under meeting agendas.

Posted on this 13th day of January 2026 at 4:30 P.M.

Sugar Land Development Corporation Agenda Request
January 20, 2026

Agenda Request No: IV.A.

Agenda of: Sugar Land Development Corporation Meeting

Initiated by: Nicole Fontenette, Public Meeting Coordinator

Presented by: Linda Mendenhall, City Clerk

Responsible Department:

Agenda Caption:
MINUTES
Consideration of and action on the approval of the minutes from the December 5, 2023, meeting.

Recommended Action:
Approval of the minutes from the December 5, 2023, meeting.

Executive Summary:
Consideration of and action on the approval of the minutes from the December 5, 2023, meeting.

Budget

Expenditure Required: n/a

Current Budget: n/a

Additional Funding: n/a

Funding Source: n/a

Account Number (ORG-OBJ-Project): n/a

Attachments
1. December 5, 2023 SLTSDA Meeting minutes

CITY OF SUGAR LAND

TUESDAY, DECEMBER 5, 2023

POSTED PUBLIC MEETING MINUTES

4:30 PM

Sugar Land Town Square Development Authority - Cane Room 161

QUORUM PRESENT

All members of the Board were present.

I. ATTENTION

A. *Members of the City Council, Board and/or Commission may participate in deliberations of posted agenda items through videoconferencing means. A quorum of the City Council, Board and/or Commission will be physically present at the above-stated location, and said location is open to the public. Audio/Video of open deliberations will be available for the public to hear/view, and are recorded as per the Texas Open Meetings Act.*

The meeting will live stream at https://youtube.com/live/z99sGNoaC7c?feature=share.

II. PUBLIC COMMENT

A. Citizens who desire to address the City Council, Board and/or Commission in person with regard to matters on the agenda must complete a "Request to Speak" form and give it to the City Secretary, or designee, prior to the beginning of the meeting.

Each speaker is limited to three (3) minutes, speakers requiring a translator will have six (6) minutes, regardless of the number of agenda items to be addressed. Comments or discussion by the City Council, Board, and/or Commission Members, will only be made at the time the subject is scheduled for consideration.

Disclaimer: *The City of Sugar Land reserves the right to remove any individual for comments deemed inappropriate, impertinent, profane, slanderous and/or for not adhering to the public comment rules outlined in this notice.*

For questions or assistance, please contact the Office of the City Secretary (281) 275-2730.

No members of the public addressed the Board.

III. MINUTES

A. Consideration of and action on the minutes of the March 5, 2019 meeting.

Robin Lenio, City Secretary

A motion to **Approve,** the minutes of the March 5, 2019 meeting, was made by Carol McCutcheon and seconded by William Ferguson, the motion **Passed**.

Ayes: Zimmerman, Jacobson, Whatley, Kermally, Ferguson, McCutcheon, Lane

IV. ELECTION OF OFFICERS

A. Consideration of and action on election of a Vice Chairperson from the Board of Directors, as well as appoint a President, Vice President, Treasurer, Secretary, and other officers as deemed necessary.

Jessica Huble, Assistant Director of Community Planning and Redevelopment

Jessica Huble, Assistant Director of Redevelopment, gave a presentation, made comments and answered questions from the Board. The Sugar Land Town Square Development Authority elected Suzanne Whatley as Vice Chairperson of the Board.

A motion to **Approve,** the election of the Vice Chairperson from the Board of Directors for the Sugar Land Town Square Development Authority, was made by Stewart Jacobson and seconded by Naushad Kermally, the motion **Passed**.

Ayes: Zimmerman, Jacobson, Whatley, Kermally, Ferguson, McCutcheon, Lane

The Sugar Land Town Square Development Authority elected Michael Goodrum as the President of the Board.
A motion to **Approve,** the appointment of a President, to the Sugar Land Town Square Development Authority, was made by Carol McCutcheon and seconded by Jennifer Lane, the motion **Passed**.

Ayes:Zimmerman, Jacobson, Whatley, Kermally, Ferguson, McCutcheon, Lane

The Sugar Land Town Square Development Authority elected Elizabeth Huff as the Vice President of the Board.
A motion to **Approve,** the appointment of a Vice President, to the Sugar Land Town Square Development Authority, was made by Stewart Jacobson and seconded by Naushad Kermally, the motion **Passed**.

Ayes: Zimmerman, Jacobson, Whatley, Kermally, Ferguson, McCutcheon, Lane

The Sugar Land Town Square Development Authority elected the acting Finance Director as the Treasurer of the Board.
A motion to **Approve,** the appointment of a Treasurer, to the Sugar Land Town Square Development Authority, was made by Naushad Kermally and seconded by Carol McCutcheon, the motion **Passed**.

Ayes: Zimmerman, Jacobson, Whatley, Kermally, Ferguson, McCutcheon, Lane

The Sugar Land Town Square Development Authority elected Robin Lenio as the Secretary of the Board.
A motion to **Approve,** the appointment of a Secretary, to the Sugar Land Town Square Development Authority, was made by Jennifer Lane and seconded by Naushad Kermally, the motion **Passed**.

Ayes: Zimmerman, Jacobson, Whatley, Kermally, Ferguson, McCutcheon, Lane

V. CONTRACTS AND AGREEMENTS

A. Consideration of and action on authorization of a Lease Estoppel Certificate regarding the Master Lease Agreement for the Sugar Land Town Square Plaza Kiosks, as amended, between the Sugar Land Town Square Development Authority and LCFRE Sugar Land Town Square LLC.

Jessica Huble, Assistant Director of Community Planning and Redevelopment

Jessica Huble, Assistant Director of Redevelopment, gave a presentation, made comments and answered questions from the Board.

A motion to **Approve,** Item V-A, Approval of a Lease Estoppel Certificate regarding the Master Lease Agreement for the Sugar Land Town Square Plaza Kiosks, as amended, between the Sugar Land Town Square Development Authority and LCFRE Sugar Land Town Square LLC., was made by Naushad Kermally and seconded by Carol McCutcheon, the motion **Passed**.

Ayes: Zimmerman, Jacobson, Whatley, Kermally, Ferguson, McCutcheon, Lane

VI. ADJOURNMENT

A motion to **Approve,** Adjournment at 4:40 p.m., was made by Carol McCutcheon and seconded by Joe Zimmerman, the motion **Passed**.

Ayes: Zimmerman, Jacobson, Whatley, Kermally, Ferguson, McCutcheon, Lane

IF YOU PLAN TO ATTEND THIS PUBLIC MEETING AND YOU HAVE A DISABILITY THAT REQUIRES SPECIAL ARRANGEMENTS AT THE MEETING, PLEASE CONTACT THE CITY SECRETARY, (281) 275-2730. REQUESTS FOR SPECIAL SERVICES MUST BE RECEIVED FORTY-EIGHT (48) HOURS PRIOR TO THE MEETING TIME. REASONABLE ACCOMMODATIONS WILL BE MADE TO ASSIST YOUR NEEDS.

Robin Lenio, City Secretary

Sugar Land Development Corporation Agenda Request
January 20, 2026

Agenda Request No: V.A.

Agenda of: Sugar Land Development Corporation Meeting

Initiated by: Jessica Huble, Assistant Director of Redevelopment

Presented by: Jessica Huble, Assistant Director of Redevelopment

Responsible Department: Redevelopment

Agenda Caption:
ELECTION OF OFFICERS
Consideration of and action on election of a Vice Chairperson from the Board of Directors, as well as appoint a President, Vice President, Treasurer, Secretary, and other officers as deemed necessary.

Recommended Action:
Appoint officers for Sugar Land Town Square Development Authority for 2026 including President, Vice President, Secretary, and Treasurer; and elect a Vice Chairperson.

Executive Summary:
Per Resolution No. 01-40, the Sugar Land Town Square Development Authority ("SLTSDA") was created and organized for the purpose of aiding, assisting, and acting on behalf of the City of Sugar Land, Texas (the "City") in the performance of its government functions to promote the common good and general welfare of the City, including, but not limited to, projects to benefit the area included in TIRZ Increment Reinvestment Zone One ("TIRZ 1") and the neighboring areas as more particularly described in City Ordinance No. 1149, and as the boundaries may be amended from time to time; to promote, develop, and encourage employment, commerce, and economic development in the City.

As provided in the Articles of Incorporation and the By-Laws of the SLTSDA, all powers vested in the SLTSDA are vested in the Board of Directors (the "Board"). The Board consists of seven persons, being the Mayor and City Council of the City. Directors of the Board serve a term coterminous with the term of the corresponding position on the City Council or Mayor of the City. Election of a person to the corresponding position on the City Council or Mayor of the City constitutes appointment of such person to the corresponding position of the Board. The Chairman of the Board shall always be the Mayor of the City.

The following persons serve as an ex-officio, non-voting members of the Board.

(1) City Manager;
(2) Director of the City Department of Economic Development; and
(3) Assistant City Manager.

The By-Laws also provide for officers of the SLTSDA. The Chairperson shall be the person holding the office of Mayor of the City. As to the other officers, as authorized by the By-Laws the Board is authorized to elect or appoint a Vice-Chairperson, President, Vice President, Treasurer, Secretary, and any other such officers that the Board sees fit. The Vice Chairperson is to be a member of the Board. The role of the Chairperson is to preside over meetings and sign all documents requiring execution on the Board's behalf. The Vice Chairperson performs the Chairperson's duties if the Chairperson is absent. The Secretary keeps the minutes of all meetings, may provide attestation or signature to any necessary documentation with the President, and has charge of records and books. The term of office for each officer (other than the Chairperson) commences on the date of each officer's election and terminates on the earlier of: two (2) years; the date that the officer is replaced by the Board; or, if the officer is a member of the Board, the date that the officer is no longer a member of the Board.

Staff recommends the Board appoint the officers as follows; as well as elect a Vice Chairperson from the Board of Directors.

• Vice Chairperson, a current member of Board;
• President, acting City Manager;
• Vice President, acting Economic Development Director;
• Treasurer, acting Finance Director; and
• Secretary, acting City Secretary.

Budget

Expenditure Required: NA

Current Budget: NA

Additional Funding: NA

Funding Source: NA

Account Number (ORG-OBJ-Project): NA

Attachments

1. Bylaws 2001

C. . 2. 05

AGENDA REQUEST

BUSINESS OF THE CITY COUNCIL

CITY OF SUGAR LAND, TEXAS

AGENDA OF: 10/16/01 DEPARTMENT OF ORIGIN: Economic Dev. REQ. NO. VII A

DATE SUBMITTED: 10/10/01

PREPARED BY: Joseph Esch, Economic Development Director JAE

SUBJECT: Resolution No. 01-40

PROCEEDING: Consideration and action on City of Sugar Land Resolution No. 01-40

CLEARANCES:

EXHIBITS: Resolution No. 01-40, HARD COPY PROVIDED IN COUNCIL OFFICE
Petition for creation of LGC,
Articles of Incorporation, Town Square
Sugar Land ~~Development~~ Authority Bylaws

APPROVED FOR SUBMITTAL: CITY MANAGER Allen Bogard

EXPENDITURE REQUIRED: $

AMOUNT BUDGETED: $

APPROPRIATION REQUIRED: $

EXECUTIVE SUMMARY:

The approved Master Development Agreement for the hotel conference center and parking garage project requires that the City, Stormont Trice Development Corp. (now known as Stormont Hospitality Group) and Sugarland Properties, Inc. select one contractor for the construction of the hotel, conference center, and parking garage project. To meet this requirement, the City must create a Local Government Corporation (LGC) under Chapter 394 of the Local Government Code. The City has received the required petition for creation of the corporation and has attached a resolution for approval of the corporation.

Following Council's direction, staff has worked to create articles of incorporation and bylaws, which are appropriate for the tasks at hand. In summary, the corporation will be organized as follows:

1. The corporation will be a 501C (3) corporation.
2. The board of the corporation will be the City Council.
3. The corporation is created for the sole purpose of carrying out the necessary tasks to accomplish the Town Square Project. However, the City Council may, through resolution, direct the LGC to undertake other projects.
4. The board has the right to establish committees and delegate responsibilities for specific purposes.
5. The LGC has the right to enter into agreements.
6. The LGC will enter into a services contract for the day-to-day operations.

In order to best coordinate the responsibilities, the City has determined that the LGC will undertake activities on behalf of the City, SL4A, SL4B, and TIRZ #1. To that end, the LGC will take actions and enter into a number of agreements for the Town Square TIRZ activities and the development of the City facilities in the hotel, conference center project. The following is a summary list of activities and responsibilities for the LGC:

<u>Administrative</u>

1. Services contract with City of Sugar Land directing the City to undertake day-to-day activities and levels of decision authority.
2. Five-party Agreement – An agreement between the City, SL4A, SL4B, TIRZ #1, and LGC directing the LGC to undertake activities on behalf of the various parties.

<u>Hotel Conference Center and Parking Garage</u>

1. Approve specifications for furniture fixtures and equipment.
2. Selection of a general contractor and approval of guaranteed maximum price.
3. Approval of various project agreements (Article 4.2.1 – 4.2.9 of the Master Development Agreement).
4. Approval of the Construction Management Agreement.
5. Approval of the notice to proceed on the project.
6. Approval of the contract for service.
7. Review and approval of requested design changes, which alter the scope of the project.
8. Approval of the Marriott franchise standards establishing definition of "First Class Manner for Hotel".

<u>TIRZ</u>

1. Approval of the contracts on the plaza, fountain and statue.

<u>RECOMMENDATION</u>:

Approve Resolution 01-40.

RESOLUTION NO. 01-40

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS, APPROVING AND AUTHORIZING THE CREATION OF THE SUGAR LAND TOWN SQUARE DEVELOPMENT AUTHORITY AND APPROVING THE ARTICLES OF INCORPORATION AND BYLAWS THEREOF.

WHEREAS, Chapter 431, Subchapter D, Texas Transportation Code authorizes, in the manner provided for by Chapter 394 of the Local Government Code, the creation and organization of a public non-profit local government corporation to act as a duly constituted authority of a city to aid and assist the city in the performance of one or more governmental or proprietary functions; and

WHEREAS, State law requires as a condition to the creation of a local government corporation that at least three residents of the city who are citizens of the State and at least eighteen years of age submit a written application to the city council for the incorporation of the local government corporation; and

WHEREAS, three residents of the City of Sugar Land have submitted a written application to the City Council requesting that it approve and authorize the creation of a public non-profit local government corporation to be designated and known as the Sugar Land Town Square Development Authority and that it approve the incorporation of the Corporation with Articles of Incorporation and Bylaws in substantially the form attached to the application; NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS:

Section 1. That it finds that an application that complies with the requirements of Chapter 394 of the Local Government Code, has been properly submitted to the City Council requesting that the City Council approve and authorize the creation of a local governmental corporation (Corporation), a copy of which application is attached to this resolution as Exhibit One and incorporated herein by reference; and

Section 2. That it approves and authorizes the creation of the Corporation to be designated and known as the Sugar Land Town Square Development Authority.

Section 3. That it approves incorporation of the Corporation with Articles of Incorporation and Bylaws as shown in Exhibits A and B, attached to Exhibit One.

PASSED AND APPROVED on October 16, 2001.

Dean A. Hrbacek, Mayor

localgovcorp.res
8/17/01

ATTEST:

Glenda Gundermann, City Secretary

APPROVED:

Joe Morris, City Attorney

Attachments: Exhibit One - Application for Creation of Sugar Land Town Square Development Authority

APPLICATION TO THE MAYOR AND CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS, FOR CREATION OF THE SUGAR LAND TOWN SQUARE DEVELOPMENT AUTHORITY, AND THE APPROVAL OF THE ARTICLES OF INCORPORATION AND BYLAWS THEREOF

RECITALS

Chapter 431, Subchapter D, Texas Transportation Code (the "Act") authorizes the creation and organization of public non-profit local government corporations to act as a duly constituted authority of a city to aid and assist the city in the performance of one or more governmental or proprietary functions.

Under the Act, a local government corporation is created pursuant to the provisions of Chapter 394, Local Government Code, (the "Local Government Code"). A local government corporation may have and exercise all of the powers prescribed by the Act and the Texas Non-Profit Corporation Act (Article 1396-1.01 et seq., Vernon's Texas Civil Statutes). A local government corporation's articles of incorporation and bylaws shall be in the form and be executed, approved, and filed in the manner prescribed by Chapter 394, Local Government Code.

Chapter 394 of the Local Government Code requires as a condition to the creation of a local government corporation that at least three (3) residents of the city who are citizens of the state and at least eighteen (18) years of age submit a written application for the incorporation of the local government corporation.

NOW, THEREFORE, the undersigned petition and make application to the honorable Mayor and City Council of the City of Sugar Land, Texas, (the "City") and represent to the City as follows:

1. Pursuant to and in accordance with Chapter 394, Local Government Code, the undersigned three (3) individuals, each of whom is a citizen of the State of Texas, a resident of the City and over the age of eighteen (18) years, make application to and request the Honorable Mayor and City Council of the City, to approve and authorize the creation of a public non-profit local government corporation to be designated and known as the Sugar Land Town Square Development Authority (the "Corporation"). The Corporation shall have and exercise all of the powers prescribed by the Act and the Texas Non-Profit Corporation Act (Article 1396-1.01 et seq., Vernon's Texas Civil Statutes).

2. The undersigned further request the City Council of the City to approve the incorporation of the Corporation with Articles of Incorporation and Bylaws in substantially the form attached hereto as Exhibits "A" and "B" respectively.

3. The undersigned further represent that duly executed original counterparts of this Application have been presented to and filed with the City Council of the City in proper and due time, form, and manner; that this Application constitutes a proper and sufficient application to the City Council of the City for approval and authorization of the creation of a public non-profit local government corporation as required by the Act and by Chapter 394, Local Government Code, and that the City Council of the City may properly consider and act upon this Application.

WHEREFORE, the undersigned respectfully request the Honorable Mayor and City Council of the City to approve this Application in all respects and to take such further and additional actions and proceedings as may be deemed necessary and proper in connection therewith.

RESPECTFULLY SUBMITTED this 10th day of Aug, 2001.

Louis Garvin 3823 Stocksbridge Sugar Land, TX 77479	Stephen J. Ewbank 3518 Mesquite Sugar Land, TX 77479	R. Donald Janssen, Jr. 3915 Woodhollow Ct. Sugar Land, TX 77479

S:\COMDEV\ECONOMIC DEVELOPMENT\LOCAL GOVERNMENT CORPORATION\PETITION FOR CREATION OF THE LGC.DOC

EXHIBIT ONE

THE STATE OF TEXAS '

COUNTY OF FORT BEND '

PATRICIA HOLT
MY COMMISSION EXPIRES
MARCH 9, 2003

BEFORE ME, the undersigned authority, on this day personally appeared Louis Garvin, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 10th day of August 2001.

My Commission Expires: 03|09|03

Notary Public in and for the State of Texas

THE STATE OF TEXAS '

COUNTY OF FORT BEND '

PATRICIA HOLT
MY COMMISSION EXPIRES
MARCH 9, 2003

BEFORE ME, the undersigned authority, on this day personally appeared Don Janssen, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 10th day of August 2001.

My Commission Expires: 03|09|03

Notary Public in and for the State of Texas

THE STATE OF TEXAS '

COUNTY OF FORT BEND '

PATRICIA HOLT
MY COMMISSION EXPIRES
MARCH 9, 2003

BEFORE ME, the undersigned authority, on this day personally appeared Steve Ewbank, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 10th day of August 2001.

My Commission Expires: 03|09|03

Notary Public in and for the State of Texas

ARTICLES OF INCORPORATION

OF

SUGAR LAND TOWN SQUARE DEVELOPMENT AUTHORITY

We, the undersigned natural persons, each of whom is at least eighteen (18) years of age or more, and a resident and a qualified voter of the City of Sugar Land, Texas (the "City") and a citizen of the State of Texas, acting as incorporators of a corporation under the provisions of Subchapter D of Chapter 431, Texas Transportation Code (the "Act"), and Chapter 394, Texas Local Government Code, do hereby adopt the following Articles of Incorporation for such corporation:

ARTICLE I

The name of the corporation is SUGAR LAND TOWN SQUARE DEVELOPMENT AUTHORITY (the "Authority").

ARTICLE II

The Authority is a public non-profit corporation.

ARTICLE III

The period of duration of the Authority shall be perpetual.

ARTICLE IV

The Authority is organized and will be operated exclusively for one or more charitable purposes, within the meaning of Section 501(c)(3) of the U.S. Internal Revenue Code of 1986, as amended (the "Code"). The Authority is organized for the purpose of aiding, assisting, and acting on behalf of the City in the performance of its governmental functions to promote the common good and general welfare of the City, including, but not limited to the area included in Reinvestment Zone Number One, City of Sugar Land, Texas (the "Town Square TIRZ") and neighboring areas, as more particularly described in City Ordinance No. 1149, and as the boundaries may be amended from time to time (the "Sugar Land Town Square Area"); to promote, develop, and encourage employment, commerce and economic development in the City.

The Authority is further organized to aid, assist and act on behalf of the City and the Board of Directors of the Town Square TIRZ:

(a) in the implementation of the Project Plan and the Reinvestment Zone Financing Plan for the Town Square TIRZ and the preparation and implementation of amendments thereto;

(b) in the development of a policy to finance development of commercial and public properties in the Sugar Land Town Square Area;

(c) in the development and implementation of a development policy for the Sugar Land Town Square Area, including the acquisition of land for development purposes;

(d) in the development of the Sugar Land Hotel and Conference Center Project; and

BYLAWS

OF

SUGAR LAND TOWN SQUARE DEVELOPMENT AUTHORITY

A Texas Local Government Corporation

(Created on behalf of the City of Sugar Land)

Date of Adoption: October 16, 2001

S:\ComDev\economic development\Projects\Sugar Land Town Square\Local Government Corporation\Bylaws.wpd

EXHIBIT B

TABLE OF CONTENTS

ARTICLE VI

ARTICLE VII

BYLAWS

OF

SUGAR LAND TOWN SQUARE DEVELOPMENT AUTHORITY

ARTICLE I

PURPOSES

Sugar Land Town Square Development Authority (the "Authority") is organized and will be operated exclusively for one or more charitable purposes, within the meaning of Section 501(c)(3) of the United States Internal Revenue Code of 1986, as amended (the "Code"). The Authority is organized for the purpose of aiding, assisting, and acting on behalf of the City of Sugar Land, Texas (the "City") in the performance of its governmental functions to promote the common good and general welfare of the City, including, but not limited to, Projects to benefit the area included in Reinvestment Zone Number One, City of Sugar Land, Texas (the "Town Square TIRZ") and the neighboring areas as more particularly described in City Ordinance No. 1149, and as the boundaries may be amended from time to time (the "Town Square Area"); to promote, develop, and encourage employment, commerce and economic development in the City.

The Authority is further organized to aid, assist and act on behalf of the City and the Board of Directors of the Town Square TIRZ:

(a) in the implementation of the Project Plan and the Reinvestment Zone Financing Plan for the Town Square TIRZ and the preparation and implementation of amendments thereto;

(b) in the development of a policy to finance development and redevelopment of commercial and public properties in the Town Square Area; and

(c) in the development and implementation of a redevelopment policy for the Town Square Area, including the acquisition of land for redevelopment purposes.

The Authority is formed pursuant to the provisions of Subchapter D of Chapter 431, Texas Transportation Code (the "Act"), as it now or may hereafter be amended, and Chapter 394, Local Government Code, which authorizes the Authority to assist and act on behalf of the City and to engage in activities in the furtherance of the purposes for its creation, provided that the Authority shall not be authorized to make or acquire home mortgages, or to make loans to lending institutions, the proceeds of which are to be used to make home mortgages or to make loans on residential developments.

The Authority shall have and exercise all of the rights, powers, privileges, authority, and functions given by the general laws of Texas to non-profit corporations incorporated under the Act including, without limitation, Article 1396, Vernon's Texas Civil Statutes.

The Authority shall have all other powers of a like or different nature not prohibited by law which are available to non-profit corporations in Texas and which are necessary or useful to enable the Authority to perform the purposes for which it is created, including the power to issue bonds, notes or other obligations, and otherwise exercise its borrowing power to accomplish the purposes for which it was created, provided that the Authority shall not issue bonds without the consent of the City Council of the City.

The Authority is created as a local government corporation pursuant to the Act and shall be a governmental unit within the meaning of Subdivision (2), Section 101.001, Texas Civil Practice and Remedies Code. The operations of the Authority are governmental and not proprietary functions for purposes of the Texas Tort Claims Act, Section 101.001 et seq., Texas Civil Practice and Remedies Code. The Authority shall have the power to acquire land in accordance with the Act as amended from time to time.

ARTICLE II

BOARD OF DIRECTORS

Section 1. Appointment, Classes, Powers, Number, and Term of Office. All powers of the Authority shall be vested in the Board of Directors (the "Board"). The Board shall initially consist of seven persons and shall be the Mayor and City Council of the City. Directors of the Authority ("Director" or Directors") shall be assigned positions to the Board and shall be the same persons appointed to the corresponding positions of the City Council and Mayor of the City. Election of a person to the corresponding position on the City Council or Mayor of the City shall constitute appointment of such person to the corresponding position of the Board. The Chairman of the Board shall always be the Mayor of the City.

Each Director shall serve on the Board while such person is a duly qualified member on the City Council or Mayor. The number of Directors may only be increased or decreased by an amendment to the Bylaws with the consent of the City Council of the City.

The term of each position shall be coterminous with the term of the corresponding position on the City Council or as Mayor.

The following persons are shall serve as an ex-officio, non-voting member of the Board:

(1) City Manager;

(2) Director of the City Department of Economic Development; and

(3) Assistant City Manager.

Any person designated as an ex-officio member of the Board is entitled to notice of and to attend meetings of the Board.

In addition, the Board of Directors of the Authority may designate one or more representatives of other political subdivisions as ex officio, non-voting members of the Board of Directors.

Section 2. Meetings of Directors. The Directors may hold their meetings and may have an office and keep the books of the Authority at such place or places within the City as the Board may from time to time determine; provided, however, in the absence of any such determination, such place shall be the registered office of the Authority in the State of Texas.

The Board shall meet in accordance with and file notice of each meeting of the Board for the same length of time and in the same manner and location as is required of a City under Chapter 551, Government Code (the "Open Meetings Act").

The Authority, the Board, and any committee of the Board exercising the powers of the Board are subject to Chapter 552, Government Code (the "Public Information Act").

Section 3. *Annual Meetings.* The annual meeting of the Board shall be held at the time and at the location in the City designated by the resolution of the Board for the purposes of transacting such business as may be brought before the meeting.

Section 4. *Regular Meetings.* Regular meetings of the Board shall be held at such times and places as shall be designated, from time to time, by resolution of the Board.

Section 5. *Special and Emergency Meetings.* Special and emergency meetings of the Board shall be held whenever called by the Chairperson of the Board or the Secretary or by a majority of the Directors who are serving duly appointed terms of office at the time the meeting is called.

The Secretary shall give notice of each special meeting in person, by telephone, FAX, mail or telegraph at least three (3) days before the meeting to each Director and to the public in compliance with the Open Meetings Act. Notice of each emergency meeting shall also be given in the manner required of the City under Section 551.045 of the Open Meetings Act. Unless otherwise indicated in the notice thereof, any and all matters pertaining to the purposes of the Authority may be considered and acted upon at a special or emergency meeting. At any meeting at which every Director shall be present, even though without any notice, any matter pertaining to the purposes of the Authority may be considered and acted upon to the extent allowed by the Open Meetings Act.

Section 6. *Quorum.* A majority of the Board shall constitute a quorum for the consideration of matters pertaining to the purposes of the Authority. If at any meeting of the Board there is less than a quorum present, a majority of those present may adjourn the meeting from time to time. The act of a majority of the Directors present and voting at a meeting at which a quorum is in attendance shall constitute the act of the Board, unless the act of a greater number is required by law, by the Articles of Incorporation, or by these Bylaws.

A Director who is present at a meeting of the Board at which any corporate action is taken shall be presumed to have assented to such action unless his dissent or abstention shall be entered in the minutes of the meeting or unless he shall file his written dissent or abstention to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent or abstention by registered mail to the Secretary of the Authority immediately after the adjournment of the meeting. Such right to dissent or abstain shall not apply to a Director who voted in favor of the action.

Section 7. *Conduct of Business.* At the meetings of the Board, matters pertaining to the purposes of the Authority shall be considered in such order as from time to time the Board may determine.

At all meetings of the Board, the Chairperson shall preside, and in the absence of the Chairperson, the Vice Chairperson shall preside. In the absence of the Chairperson and the Vice Chairperson, a chairperson shall be chosen by the Board from among the Directors present.

The Secretary of the Authority 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.

Section 8. *Executive Committee, Other Committees.* The Board may, by resolution passed by a majority of the Directors, designate three (3) or more Directors to constitute an executive committee or other type of committee. To the extent provided in the authorizing resolution, a committee shall have and may exercise all of the authority of the Board in the management of the Authority, except where action of the Board is specified by statute. A committee shall act in the manner provided in the authorizing resolution. 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 office of the Authority, and shall report the same to the Board from time to time. Committees authorized to exercise the powers of the Board shall give notice of any meeting in the manner required for a meeting of the Board.

Section 9. Compensation of Directors. Directors, as such, shall not receive any salary or compensation for their services as Directors.

Section 10. Board of Advisory Directors. The Board may establish a Board of Advisory Directors composed of members who are, in the judgment of the Board, qualified to advise with respect to the activities of the Authority. Members of the Board of Advisory Directors shall serve for a term of one (1) year or such longer term as may be fixed by the Board, not to exceed four (4) years. Advisory Directors may be removed by the Board at any time with or without cause. The number of members of the Board of Advisory Directors shall be fixed from time to time by the Board. The officers and Directors of the Authority may consult with the Board of Advisory Directors from time to time with respect to the activities of the Authority but the Board of Advisory Directors shall in no way restrict the powers of the Board nor limit its responsibilities or obligations. The Board of Advisory Directors shall have no responsibility for the management of the affairs of the Authority. Advisory Directors shall not receive any salary or compensation for their services as Advisory Directors; provided, that nothing contained herein shall be construed to preclude any Advisory Director from receiving compensation which is not excessive and which is at commercially reasonable rates for personal services (rendered in other than an "Advisory Director" capacity) which are reasonable and necessary in carrying out the Authority's purposes.

Section 11. Director's Reliance on Consultant Information. A Director shall not be liable if while acting in good faith and with ordinary care, he relies on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Authority or another person, that were prepared or presented by:

(a) one or more other officers or employees of the Authority;

(b) legal counsel, public accountants, or other persons as to matters the officer reasonably believes are within the person's professional or expert competence; or

(c) a committee of the Board of which the Director is not a member.

ARTICLE III

OFFICERS

Section 1. Titles and Term of Office. The officers of the Authority shall be a chairperson of the Board, one or more vice chairpersons of the Board, a president, one or more vice presidents, a secretary, a treasurer, and such other officers as the Board may from time to time elect or appoint. One person may hold more than one office, except that neither the Chairperson of the Board nor the President shall hold the office of Secretary. The term of office for each officer (other than the Chairperson) shall commence on the date of such officer's election and terminate on the earlier of: two (2) years; the date that the officer is replaced by the board; or, if the officer is a member of the Board, the date that the officer is no longer a member of the Board. The Chairperson shall serve for the term designated by the Mayor and City Council of the City.

All officers (other than the Chairperson) shall be subject to removal, with or without cause, at any time by a vote of a majority of the whole Board.

A vacancy in the office of any officer (other than the Chairperson) shall be filled by the Board.

Section 2. *Powers and Duties of the Chairperson.* The Chairperson shall be a member of the Board and shall preside at all meetings of the Board. The Chairperson shall be the person holding the office of the Mayor of the City. He or she shall have such duties as are assigned by the Board. The Chairperson may call special or emergency meetings of the Board.

Section 3. *Powers and Duties of the Vice Chairperson.* The Vice Chairperson shall be a member of the Board. The Vice Chairperson shall perform the duties and exercise the powers of the Chairperson upon the Chairperson's death, absence, disability, or resignation, or upon the Chairperson's inability to perform the duties of his or her office. Any action taken by the Vice Chairperson in the performance of the duties of the Chairperson shall be conclusive evidence of the absence or inability to act of the Chairperson at the time such action was taken.

Section 4. *Powers and Duties of the President.* The President shall be the principal executive officer of the Authority and, subject to the Board, he or she shall be in general charge of the properties and affairs of the Authority. In furtherance of the purposes of the Authority and subject to the limitations contained in the Articles of Incorporation, the President, Chairperson, or Vice Chairperson may sign and execute all bonds, notes, deeds, conveyances, franchises, assignments, mortgages, notes, contracts and other obligations in the name of the Authority.

Section 5. *Vice Presidents.* A Vice President shall have such powers and duties as may be assigned to him or her by the Board or the President, including the performance of the duties of the President upon the death, absence, disability, or resignation of the President, or upon the President's inability to perform the duties of his or her office. 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 6. *Treasurer.* The Treasurer shall have custody of all the funds and securities of the Authority which come into his or her hands. When necessary or proper, he or she may endorse, on behalf of the Authority, for collection, checks, notes and other obligations and shall deposit the same to the credit of the Authority in such bank or banks or depositories as shall be designated in the manner prescribed by the Board; he or she may sign all receipts and vouchers for payments made to the Authority, either alone or jointly with such other officer as is designated by the Board; whenever required by the Board, he or she shall render a statement of his or her case account; he or she shall enter or cause to be entered regularly in the books of the Authority to be kept by him or her for that purpose full and accurate accounts of all moneys received and paid out on account of the Authority; he or she shall perform all acts incident to the position of Treasurer subject to the control of the Board; and he or she shall, if required by the Board, give such bond for the faithful discharge of his or her duties in such form as the Board may require.

Section 7. *Secretary.* The Secretary shall keep the minutes of all meetings of the Board in books provided for that purpose; he or she shall attend to the giving and serving of all notices; in furtherance of the purposes of the Authority and subject to the limitations contained in the Articles of Incorporation, he or she may sign with the President in the name of the Authority and/or attest the signatures thereof, all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments of the Authority; he or she shall have charge of the Authority's books, records, documents and instruments, except the books of account and financial records and securities of which the Treasurer shall have custody and charge, and such other books and papers as the Board may direct, all of which shall at all reasonable times be open to the inspection of any

Director upon application at the office of the Authority during business hours; and, he or she shall in general perform all duties incident to the office of Secretary subject to the control of the Board.

Section 8. *Compensation.* Board members, even in their capacity as officers, are not entitled to compensation.

Section 9. *Officer's Reliance on Consultant Information.* In the discharge of a duty imposed or power conferred on an officer of the Authority, the officer may in good faith and with ordinary care rely on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Authority or another person, that were prepared or presented by:

(a) one or more other officers or employees of the Authority, including members of the Board; or

(b) legal counsel, public accountants, or other persons as to matters the officer reasonably believes are within the person's professional or expert competence.

ARTICLE IV

MISCELLANEOUS PROVISIONS

Section 1. *Fiscal Year.* The fiscal year of the Authority shall begin October 1 of each year.

Section 2. *Seal.* The seal of the Authority shall be such as from time to time may be approved by the Board.

Section 3. *Notice and Waiver of Notice.* Whenever any notice whatever, other than public notice of a meeting given to comply with the Open Meetings Act, is required to be given under the provisions of these Bylaws, such notice shall be deemed to be sufficient if given by depositing the same in a post office box in a sealed postpaid wrapper addressed to the person entitled thereto at his or her post office address, as it appears on the books of the Authority, and such notice shall be deemed to have been given on the day of such mailing. A waiver of notice, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

Section 4. *Resignations.* Any Director, officer or Advisory Director may resign at any time. Such resignations 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 President or Secretary. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

Section 5. *Gender.* References herein to the masculine gender shall also refer to the feminine in all appropriate cases and vice versa.

Section 6. *Appropriations and Grants.* The Authority shall have the power to request and accept any appropriation, grant, contribution, donation, or other form of aid from the federal government, the State, any political subdivision, or municipality in the State, or from any other source.

ARTICLE V

INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 1. *Right to Indemnification.* Subject to the limitations and conditions as provided in this Article V and the Articles of Incorporation, each person who was or is made a party or is threatened to be made a party to or is involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative or investigative (hereinafter a "proceeding"), or any appeal in such a proceeding or any inquiry or investigation that could lead to such a proceeding, by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was a Director or officer of the Authority or while a Director or officer of the Authority is or was serving at the request of the Authority as a director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise shall be indemnified by the Authority to the fullest extent permitted by the Texas Non-Profit Corporation Act, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Authority to provide broader indemnification rights than said law permitted the Authority to provide prior to such amendment) against judgments, penalties (including excise and similar taxes and punitive damages), fines, settlements and reasonable expenses (including, without limitation, attorneys' fees) actually incurred by such person in connection with such proceeding, and indemnification under this Article V shall continue as to a person who has ceased to serve in the capacity which initially entitled such person to indemnity hereunder. The rights granted pursuant to this Article V shall be deemed contract rights, and no amendment, modification or repeal of this Article V shall have the effect of limiting or denying any such rights with respect to actions taken or proceedings arising prior to any such amendment, modification or repeal. It is expressly acknowledged that the indemnification provided in this Article V could involve indemnification for negligence or under theories of strict liability.

Section 2. *Advance Payment.* The right to indemnification conferred in this Article V shall include the right to be paid in advance or reimbursed by the Authority the reasonable expenses incurred by a person of the type entitled to be indemnified under Section 1 who was, is or is threatened to be made a named defendant or respondent in a proceeding in advance of the final disposition of the proceeding and without any determination as to the person's ultimate entitlement to indemnification; provided, however, that the payment of such expenses incurred by any such person in advance of the final disposition of a proceeding, shall be made only upon delivery to the Authority of a written affirmation by such Director or officer of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification under this Article V and a written undertaking, by or on behalf of such person, to repay all amounts so advanced if it shall ultimately be determined that such indemnified person is not entitled to be indemnified under this Article V or otherwise.

Section 3. *Indemnification of Employees and Agents.* The Authority, by adoption of a resolution of the Board, may indemnify and advance expenses to an employee or agent of the Authority to the same extent and subject to the same conditions under which it may indemnify and advance expenses to Directors and officers under this Article V; and the Authority may indemnify and advance expenses to persons who are not or were not Directors, officers, employees or agents of the Authority but who are or were serving at the request of the Authority as a Director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise against any liability asserted against him or her and incurred by him or her in such a capacity or arising out of his or her status as such a person to the same extent that it may indemnify and advance expenses to Directors under this Article V.

Section 4. *Appearance as a Witness.* Notwithstanding any other provision of this Article V, the Authority may pay or reimburse expenses incurred by a Director or officer in connection with his or her appearance as a witness or other participation in a proceeding involving the Authority or its business at a time when he or she is not a named defendant or respondent in the proceeding.

Section 5. *Non-exclusivity of Rights.* The right to indemnification and the advancement and payment of expenses conferred in this Article V shall not be exclusive of any other right which a Director or officer or other person indemnified pursuant to Section 3 of this Article V may have or hereafter acquire under any law (common or statutory), provision of the Articles of Incorporation of the Authority or these Bylaws, agreement, vote of shareholders or disinterested Directors or otherwise.

Section 6. *Insurance.* The Authority may purchase and maintain insurance, at its expense, to protect itself and any person who is or was serving as a Director, officer, employee or agent of the Authority or is or was serving at the request of the Authority as a Director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, proprietorship, employee benefit plan, trust or other enterprise against any expense, liability or loss, whether or not the Authority would have the power to indemnify such person against such expense, liability or loss under this Article V.

Section 7. *Notification.* Any indemnification of or advance of expenses to a Director or officer in accordance with this Article V shall be reported in writing to the members of the Board with or before the notice of the next regular meeting of the Board and, in any case, within the 12-month period immediately following the date of the indemnification or advance.

Section 8. *Savings Clause.* If this Article V or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Authority shall nevertheless indemnify and hold harmless each Director, officer or any other person indemnified pursuant to this Article V as to costs, charges and expenses (including attorneys' fees), judgments, fines and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative, to the full extent permitted by any applicable portion of this Article V that shall not have been invalidated and to the fullest extent permitted by applicable law.

ARTICLE VI

CODE OF ETHICS

Section 1. *Policy and Purposes.*

(a) It is the policy of the Authority that Directors and officers conduct themselves in a manner consistent with sound business and ethical practices; that the public interest always be considered in conducting corporate business; that the appearance of impropriety be avoided to ensure and maintain public confidence in the Authority; and that the Board establish policies to control and manage the affairs of the Authority fairly, impartially, and without discrimination.

(b) This Code of Ethics has been adopted as part of the Authority's Bylaws for the following purposes: (a) to encourage high ethical standards in official conduct by Directors and corporate officers; and (b) to establish guidelines for such ethical standards of conduct.

Section 2. Conflicts of Interest.

(a) Except as provided in subsection (c), a Director or officer is prohibited from participating in a vote, decision, or award of a contract involving a business entity or real property in which the Director or the officer has a substantial interest, if it is foreseeable that the business entity or real property will be economically benefitted by the action. A person has a substantial interest in a business (i) if his or her ownership interest is ten percent or more of the voting stock or shares of the business entity or ownership of $15,000 or more of the fair market value of the business entity, or (ii) if the business entity provides more than ten percent of the person's gross income. 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. An interest of a person related in the second degree by affinity or the third degree by consanguinity to a Director or officer is considered a substantial interest.

(b) If a Director or a person related to a Director in the first or second degree by affinity or the first, second, or third degree by consanguinity has a substantial interest in a business entity or real property that would be pecuniarily affected by any official action taken by the Board, such Director, before a vote or decision on the matter, shall file an affidavit stating the nature and extent of the interest. The affidavit shall be filed with the Secretary of the Board.

(c) A Director who has a substantial interest in a business entity that will receive a pecuniary benefit from an action of the Board may vote on that action if a majority of the Board has a similar interest in the same action or if all other similar business entities in the Authority will receive a similar pecuniary benefit.

(d) An employee of a public entity may serve on the Board.

Section 3. Acceptance of Gifts. No Director or officer shall accept any benefit as consideration for any decision, opinion, recommendation, vote or other exercise of discretion in carrying out official acts for the Authority. No Director or officer shall solicit, accept, or agree to accept any benefit from a person known to be interested in or likely to become interested in any contract, purchase, payment, claim or transaction involving the exercise of the Director's or officer's discretion. As used here, "benefit" does not include:

(a) a fee prescribed by law to be received by a Director or officer or any other benefit to which the Director or officer is lawfully entitled or for which he gives legitimate consideration in a capacity other than as a Director or officer;

(b) a gift or other benefit conferred on account of kinship or a personal, professional, or business relationship independent of the official status of the Director or officer;

(c) an honorarium in consideration for legitimate services rendered above and beyond official duties and responsibilities if:

(1) not more than one honorarium is received from the same person in a calendar year;

(2) not more than one honorarium is received for the same service; and

(3) the value of the honorarium does not exceed $250 exclusive of reimbursement for travel, food, and lodging expenses incurred by the Director or officer in performance of the services;

(d) a benefit consisting of food, lodging, transportation, or entertainment accepted as a guest is reported as may be required by law.

Section 4. *Bribery.* A Director or officer shall not intentionally or knowingly offer, confer or agree to confer on another, or solicit, accept, or agree to accept from another:

(a) any benefit as consideration for the Director's or officer's decision, opinion, recommendation, vote, or other exercise of discretion as a Director or officer;

(b) any benefit as consideration for the Director's or officer's decision, vote, recommendation, or other exercise of official discretion in a judicial or administrative proceeding; or

(c) any benefit as consideration for a violation of a duty imposed by law on the Director or officer.

Section 5. *Nepotism.* No Director or officer shall appoint, or vote for, or confirm the appointment to any office, position, clerkship, employment or duty, of any person related within the second degree by affinity (marriage relationship) or within the third degree of consanguinity (blood relationship) to the Director or officer so appointing, voting or confirming, or to any other Director or officer. This provision shall not prevent the appointment, voting for, or confirmation of any person who shall have been continuously employed in any such office, position, clerkship, employment or duty at least thirty (30) days prior to the appointment of the Director or officer so appointing or voting.

ARTICLE VII

AMENDMENTS

A proposal to alter, amend, or repeal these Bylaws shall be made by the affirmative vote of a majority of the full Board at any annual or regular meeting, or at any special meeting if notice of the proposed amendment be contained in the notice of said special meeting. However, any proposed change or amendment to the Bylaws must be approved by the City Council of the City to be effective.

City shall be deposited into the Reinvestment Zone Number One, City of Sugar Land, Texas, Tax Increment Fund, or its successor. No part of the Authority's income shall inure to the benefit of any private interests.

If the Board of Directors determines by resolution that the purposes for which the Authority was formed have been substantially met and all bonds issued by and all obligations incurred by the Authority have been fully paid, the Board shall execute a certificate of dissolution which states those facts and declares the Authority dissolved in accordance with the requirements of Section 394.026 of Texas Local Government Code, or with applicable law then in existence. In the event of dissolution or liquidation of the Authority, all assets will be turned over to the Finance and Administration Department of the City, or its successor, for deposit into the Reinvestment Zone Number One, City of Sugar Land, Texas, Tax Increment Fund unless the City Council shall otherwise direct.

Any capital project(s) of the Authority as well as all plans and specifications of any improvement to be made by the Authority shall be approved by the City Manager of the City.

ARTICLE XIII

If the Authority is a private foundation within the meaning of Section 509(a) of the Code, the Authority: (a) shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Code; (b) shall not engage in any act of self-dealing as defined in Section 4941(d) of the Code; (c) shall not retain any excess business holdings as defined in Section 4943(c) of the Code; (d) shall not make any investments in such manner as to subject it to tax under Section 4944 of the Code; and (e) shall not make any taxable expenditures as defined in Section 4945(d) of the Code.

ARTICLE XIV

The City Council may at any time consider and approve an ordinance directing the Board to proceed with the dissolution of the Authority, at which time the Board shall proceed with the dissolution of the Authority in accordance with applicable state law. The failure of the Board to proceed with the dissolution of the Authority in accordance with this Section shall be deemed a cause for the removal from office of any or all of the Directors as permitted by Article VI of these Articles of Incorporation.

ARTICLE XV

These Articles may not be changed or amended unless approved by the City Council of the City.

IN WITNESS WHEREOF, we have hereunto set our hands this 16th day of October, 2001.

Louis Garvin

Don Janssen

Steve Ewbank

THE STATE OF TEXAS §
§
COUNTY OF FORT BEND §

BEFORE ME, the undersigned authority, on this day personally appeared Louis Garcia known to me to be the person whose named is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 23rd day of October 2001.

My Commission Expires:

KAREN ZAVALA
Notary Public, State of Texas
My Commission Expires
April 17, 2004

Karen Zavala
Notary Public in and for
the State of Texas

THE STATE OF TEXAS§
§
COUNTY OF FORT BEND §

BEFORE ME, the undersigned authority, on this day personally appeared Don Larsen known to me to be the person whose named is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 23rd day of October 2001.

My Commission Expires:

KAREN ZAVALA
Notary Public, State of Texas
My Commission Expires
April 17, 2004

Karen Zavala
Notary Public in and for
the State of Texas

THE STATE OF TEXAS§
§
COUNTY OF FORT BEND §

BEFORE ME, the undersigned authority, on this day personally appeared Steve Eubank known to me to be the person whose named is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 23rd day of October 2001.

My Commission Expires:

KAREN ZAVALA
Notary Public, State of Texas
My Commission Expires
April 17, 2004

Karen Zavala
Notary Public in and for
the State of Texas

(e) to coordinate with the Sugar Land 4B Corporation, the Sugar Land 4A Corporation and the Town Square TIRZ for the development of projects in the Sugar Land Town Square Area; and

(f) to undertake such other projects on behalf of the City as are authorized by resolution of the City Council of the City.

The Authority is formed pursuant to the provisions of the Act as it now or may hereafter be amended, and Chapter 394, Texas Local Government Code, which authorizes the Authority to assist and act on behalf of the City and to engage in activities in the furtherance of the purposes for its creation, provided that the Authority shall not be authorized to make or acquire home mortgages, or to make loans to lending institutions, the proceeds of which are to be used to make home mortgages or to make loans on residential developments.

The Authority shall have and exercise all of the rights, powers, privileges, authority, and functions given by the general laws of Texas to non-profit corporations incorporated under the Act including, without limitation, Article 1396, Vernon's Texas Civil Statutes (the Texas Non-Profit Corporation Act).

The Authority shall have all other powers of a like or different nature not prohibited by law which are available to non-profit corporations in Texas and which are necessary or useful to enable the Authority to perform the purposes for which it is created, including the power to issue bonds, notes or other obligations, and otherwise exercise its borrowing power to accomplish the purposes for which it was created, provided that the Authority shall not issue bonds without the consent of the City Council of the City.

The Authority is created as a local government corporation pursuant to the Act and shall be a governmental unit within the meaning of Subdivision (2), Section 101.001, Texas Civil Practice and Remedies Code. The operations of the Authority are governmental and not proprietary functions for purposes of the Texas Tort Claims Act, Section 101.001 et seq., Texas Civil Practice and Remedies Code. The Authority shall have the power to acquire land in accordance with the Act as amended from time to time.

ARTICLE V

The Authority shall have no members and shall have no stock.

ARTICLE VI

All powers of the Authority shall be vested in a Board consisting initially of seven persons being the Mayor and members of the City Council of the City. Additional persons may be added to the Board by the Authority in accordance with the provisions of the Bylaws. The initial directors of the Authority ("Director" or "Directors") shall be those persons named in Article VIII. Each initial Director named in Article VIII hereof shall serve for the term prescribed in the Bylaws. Subsequent Directors shall be appointed by position to the Board as prescribed in the Bylaws. Except as provided in the Articles of Incorporation, each Director shall serve for the term provided in the Bylaws.

The Chairperson shall be the Mayor of the City.

If any of the following persons is not serving as a member of the Board, he or she shall serve as an ex-officio, non-voting member of the Board:

(1) City Manager;

(2) Director of the City Department of Economic Development; and

(3) Assistant City Manager;

In addition, the Board of Directors of the Authority may designate one or more representatives of Fort Bend County or other political subdivisions as ex officio, non-voting members of the Board of Directors.

All other matters pertaining to the internal affairs of the Authority shall be governed by the Bylaws of the Authority, so long as such Bylaws are not inconsistent with these Articles of Incorporation, or the laws of the State of Texas.

ARTICLE VII

The street address of the initial registered office of the Authority is 10405 Corporate Drive, Sugar Land, Texas 77478, and the name of its initial registered agent at such address is Joe Morris.

ARTICLE VIII

The number of Directors initially constituting the Board is seven. The names, addresses, and positions of the seven initial Directors, each of whom resides within the City, are:

POS. NO.	NAME	ADDRESS
Mayor	Dean A. Hrbacek	3014 East Steepbank Circle Sugar Land, Texas 77479
At Large Position One	James A. Thompson	2658 Hodges Bend Circle Sugar Land, Texas 77479
At Large Position Two	Karyn K. Dean	11 Cypress Ridge Sugar Land, Texas 77479
Single Member District One	Donald Smithers	1327 Bramblebury Drive Sugar Land, Texas 77478
Single Member District Two	Cyril Hosley	427 West Alkire Lake Drive Sugar Land, Texas 77478
Single Member District Three	J. Brian Gaston	22 Crestwood Sugar Land, Texas 77478
Single Member District Four	David Wallace	3318 Alcorn Crossing Sugar Land, Texas 77479

ARTICLE IX

The names and street addresses of the incorporators, each of whom resides within the City, are:

NAME	ADDRESS
Louis Garvin	3823 Stockbridge Dr Sugar Land , TX 77479
Don Janssen	3915 Woodhollow Ct Sugar Land , TX 77479
Steve Ewbank	3518 Mesquite Sugar Land, TX 77479

ARTICLE X

Resolution No. 01-40 approving the form of these Articles of Incorporation has been adopted by the City Council of the City on October 16, 2001.

ARTICLE XI

No Director shall be liable to the Authority for monetary damages for an act or omission in the Director's capacity as a Director, except for liability (i) for any breach of the Director's duty of loyalty to the Authority, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) for any transaction from which the Director received an improper benefit, whether or not the benefit resulted from an act taken within the scope of the Director's office, or (iv) for acts or omissions for which the liability of a Director is expressly provided by statute. Any repeal or amendment of this Article by the Directors shall be prospective only, and shall not adversely affect any limitation on the personal liability of a Director existing at the time of such repeal or amendment. In addition to the circumstances in which a Director is not personally liable as set forth in the preceding sentences, a Director shall not be liable to the fullest extent permitted by any amendment to the Texas statutes hereafter enacted that further limits the liability of a Director.

ARTICLE XII

In accordance with the provisions of Section 501(c)(3) of the Code, and regardless of any other provisions of these Articles of Incorporation or the laws of the State of Texas, the Authority: (a) shall not permit any part of the net earnings of the Authority to inure to the benefit of any private individual (except that reasonable compensation may be paid for personal services rendered to or for the Authority in effecting one or more of its purposes); (b) shall not devote more than an insubstantial part of its activities to attempting to influence legislation by propaganda or otherwise; (c) shall not participate in, or intervene in (including the publication or distribution of statements), any political campaign on behalf of any candidate for public office; and (d) shall not attempt to influence the outcome of any election for public office or to carry on, directly or indirectly, any voter registration drives. Any income earned by the Authority after payment of reasonable expenses, debt and establishing a reserve shall accrue to the City.

The City shall, at all times, have an unrestricted right to receive any income earned by the Authority, exclusive of amounts needed to cover reasonable expenditures and reasonable reserves for future activities. Unless otherwise directed by the City, any income of the Authority received by the

Sugar Land Development Corporation Agenda Request
January 20, 2026

Agenda Request No: VI.A.

Agenda of: Sugar Land Development Corporation Meeting

Initiated by: Jessica Huble, Assistant Director of Redevelopment

Presented by: Jessica Huble, Assistant Director of Redevelopment

Responsible Department: Redevelopment

Agenda Caption:
LEASE ESTOPPEL CERTIFICATE
Consideration of and action on the authorization of a Lease Estoppel Certificate regarding the Master Lease Agreement for the Sugar Land Town Square Plaza Kiosks, as amended, between the Sugar Land Town Square Development Authority and LCFRE Sugar Land Town Square LLC.

Recommended Action:
Consideration of and action on approval of a Lease Estoppel Certificate regarding the Master Lease Agreement for the Sugar Land Town Square Plaza Kiosks, as amended, between the Sugar Land Town Square Development Authority (SLTSDA) and LCFRE Sugar Land Town Square, LLC (LCFRE).

Executive Summary:
In 2001, the City of Sugar Land's ("City") City Council authorized the creation of the Sugar Land Town Square Development Authority ("SLTSDA"), a local government corporation ("LGC"), to assist the City with the Sugar Land Town Square project. The LGC is the owner of public infrastructure associated with the project, including the Conference Center located inside of the Marriott hotel, the Town Square Plaza (the "Plaza"), two (2) kiosks located on the Plaza, two (2) electronic signs located on the Plaza, and certain portions of the Town Square parking garages. In 2003, a ground lease for 99 years was executed and a master lease agreement was executed by and between the LGC and Town Center Lakeside, LTD ("TCL") until 2102 for the two (2) kiosks.

LCFRE Sugar Land Town Square, LLC (LCFRE), current owners of Sugar Land Town Square, recently contacted City staff to seek an estoppel that is required for re-financing, to verify the following key points.

- The March 31, 2004 Master Lease (as assigned November 14, 2013) is in full force and

effect (attached)
- There are no amendments other than those referenced in the estoppel
- Neither the Lessor nor the Lessee is in default, nor are there any known circumstances that would ripen into a default
- There are no past-due amounts owed under the Lease
- All Improvements have been constructed in a manner acceptable to the Lessor

The LGC is providing the estoppel certificate, for the benefit of any prospective assignees, to, among other things, certify that the LGC is the owner of the project to the best of their knowledge.

Staff recommends consideration and approval of the Lease Estoppel Certificate regarding the Master Lease Agreement for the Sugar Land Town Square Plaza Kiosks, as amended, between the Sugar Land Town Square Development Authority (SLTSDA) and LCFRE Sugar Land Town Square, LLC (LCFRE).

Budget

Expenditure Required: NA

Current Budget: NA

Additional Funding: NA

Funding Source: NA

Account Number (ORG-OBJ-Project): NA

Attachments

1. SLTSDA 2026- Lessor's Estoppel Certificate and Consent Agreement_No Exhibits

<u>LESSOR'S ESTOPPEL CERTIFICATE AND CONSENT AFFIDAVIT</u>

<u>Date: January ______, 2026</u>
<u>File No.: 2415735JM</u>
<u>Escrow Agent: Prominent Title</u>
<u>Underwriter: Chicago Title Insurance Company</u>
<u>Lessor: Sugar Land Town Square Development Authority</u>
<u>Lessee: LCFRE Sugar Land Town Square, LLC (as successor-in-interest to Town Center Lakeside, Ltd.)</u>
<u>Affiant: _Mike Goodrum, President</u>

<u>Property</u>: Leasehold Estate as created and defined under terms, conditions, and stipulations contained in that certain Master Lease Agreement (Sugar Land Town Square Kiosks) dated March 31, 2004 (the "Lease"), by and between Sugar Land Town Square Development Authority, a Texas local government corporation ("Landlord") and Town Center Lakeside, Ltd., predecessor-in-interest to LCFRE Sugar Land Town Square, LLC, a Delaware limited liability company ("Tenant"), as amended by that Assignment and Assumption of Lease recorded November 14, 2013, under Fort Bend County Clerk's File No. 2013143728, said Master Lease Agreement disclosed in Memorandum of Lease dated November 14, 2013, recorded November 14, 2013, under Fort Bend County Clerk's File No. 2013143727, for approximately two kiosk spaces (collectively, the "Leased Land"), located in the town square of that certain leasehold property described in **<u>Exhibit A</u>**.

Affiant, being duly sworn, on oath affirms that the following statements are true:

1. I am the President of Sugar Land Town Square Development Authority, a Texas local government corporation, and I am authorized to make this affidavit on its behalf. Said Entity is the Lessor of the above-described property.

2. Lessor is the landlord of the Property under a **Master Lease Agreement dated March 31, 2004**, by and between Lessor and Lessee and attached hereto as **<u>Exhibit B</u>** (the "Lease"). The Lease has not been modified since that date except: **<u>Assignment and Assumption of Lease recorded November 14, 2013, under Fort Bend County Clerk's File No. 2013143728, said Master Lease Agreement disclosed in Memorandum of Lease dated November 14, 2013, recorded November 14, 2013, under Fort Bend County Clerk's File No. 2013143727.</u>**

3. Lessee is the tenant of the Leased Land under the Lease and Lessee has sublicensed part of the Leased Land (Kiosk No. 1, as defined in the Lease) to Ziyana Noor LLC, a Texas limited liability company, d/b/a Little Joy ("Sublicensee 1") pursuant to that certain License Agreement dated May 19, 2021, as amended by that certain First Amendment to License Agreement dated June 24, 2022, and as amended by that certain Second Amendment to License Agreement dated November 6, 2023 (as amended "Sublicense 1" enclosed as **<u>Exhibit C</u>**). Tenant has sublicensed the remainder of the Leased Land (Kiosk No. 2 as defined in the Lease) to 139Made, LLC, a Texas limited liability company ("Sublicensee 2") pursuant to that certain Kiosk License Agreement dated March 9, 2020, as amended by that certain First Amendment to License Agreement dated

July 2, 2020, that certain Second Amendment to License Agreement dated December 10, 2021, as amended by that certain Third Amendment to License Agreement dated April 14, 2023, as amended by that certain Fourth Amendment to License Agreement dated April 24, 2024 (as amended, "Sublicense 2" enclosed as **Exhibit D**).

4. As of the date of this Affidavit, the above-referenced Lease is in full force and effect, and has not been supplemented, modified, or amended, outside of any supplements, modifications, or amendments disclosed hereinabove.

5. Neither Lessor nor Lessee is in default under the Lease.

6. There are no past due expenses owed by Lessee, including, but not limited to Rent (as defined in the Lease) or taxes.

7. All Improvements (as defined in the Lease) have been constructed in a manner acceptable to Lessor.

8. Lessor acknowledges that Lessee intends to continue to sublicense the Leased Land to Sublicensee 1 and Sublicensee 2 under Sublicense 1 and Sublicense 2.

9. Lessor does not waive any immunities provided by law.

10. Lessor understands and acknowledges that Lessee is the borrower under a mortgage loan ("**Loan**") held by **COMPUTERSHARE TRUST COMPANY, NATIONAL ASSOCIATION, AS TRUSTEE FOR THE BENEFIT OF THE REGISTERED HOLDERS OF BBCMS MORTGAGE TRUST 2023-5C23, COMMERCIAL MORTGAGE PASS-THROUGH CERTIFICATES, SERIES 2023-5C23, AND IN ITS CAPACITY AS "LEAD SECURITIZATION NOTE HOLDER"** (together with its successors and assigns, "**Lender**"), which Loan is evidenced by a note secured by a mortgage upon the captioned property ("**Mortgage**") and that Lender, in connection with the Loan, is relying upon Lessor's certification herein.

11. Lessor acknowledges and agrees that Lessee, Lender, co-lenders or participant lenders of the Loan and their respective successors and assigns shall be entitled to rely on Lessor's certifications set forth herein, solely as to the Lease.

SUGAR LAND TOWN SQUARE DEVELOPMENT AUTHORITY,
a Texas local government corporation

By:: ____________________________

Name: __________________________________
Its: President
Date: January ____, 2026

State of Texas
County of ______________

Sworn to and subscribed before me on ________________, by ___________________.

(notary seal) ______________________________
Notary Signature

Exhibits:
Exhibit A – Property Description
Exhibit B - Lease
Exhibit C – Sublicense 1
Exhibit D – Sublicense 2

<u>Exhibit A</u>

Property Description

Leasehold Estate as created and defined under terms, conditions, and stipulations contained in that certain Master Lease Agreement (Sugar Land Town Square Plaza Kiosks) dated March 31, 2004 (the “Lease”), by and between Sugar Land Town Square Development Authority, a Texas local government corporation ("Landlord") and Town Center Lakeside, Ltd., predecessor-in-interest to LCFRE Sugar Land Town Square, LLC, a Delaware limited liability company ("Tenant"), as amended by Assignment of Lease recorded November 14, 2013, under Fort Bend County Clerk's File No. 2013143728, said Master Lease Agreement disclosed in Memorandum of Lease dated November 14, 2013, recorded November 14, 2013, under Fort Bend County Clerk's File No. 2013143727, for approximately two kiosk spaces (collectively, the “Leased Land”), located in the town square of that certain leasehold property described therein as follows:

Sugar Land Town Square - Kiosk #1, being a 0.0052 acre (225 square feet) tract of land out of Reserve "C2" of SUGAR LAND TOWN SQUARE, SECOND AMENDING PLAT, a Planned Development District, according to the maps or plats thereof recorded under Slide Numbers 2464/B, 2465/A, and 2465/B of the Plat Records of Fort Bend County, Texas, described by metes
and bounds as follows:

Being a 0.0052-acre (225 square feet) tract of land located in the S.M. William League, A-97, Fort Bend County, Texas; said 0.0052-acre tract being out of Reserve "C2" of Sugar Land Town Square, Second Amending Plat, a 31.8340-acre subdivision recorded in Slide Numbers 2464B thru 2465B of the Fort Bend County Plat Records (F.B.C.P.R.); said 0.0052-acre tract being more particularly described by metes and bounds as follows (all bearings are referenced to northwest line of said Reserve "C2"):

Commencing from an "X" found scribed in concrete for the most westerly corner of said Reserve "C2" and the most northerly corner of Reserve "R1" of Sugar Land Town Square, Reserve "R" Replat, a 3.1858-acre subdivision recorded in Slide No. 2373B of the F.B.C.P.R., same being on the southeast right-of-way line of City Walk (80-foot right-of-way) recorded in Slide Numbers 2464B thru 2465B of the F.B.C.P.R.;

Thence, with the northwest line of said Reserve "C2" and said southeast right-of-way line of City Walk, North 43 degrees 53 minutes 21 seconds East, a distance of 6.60 feet to the Point of Beginning and most westerly corner of the herein described tract;

1. Thence, continuing with said northwest line of Reserve "C2" and said southeast right-of-way line of City Walk, North 43 degrees 53 minutes 21 seconds East, a distance of 15.00 feet;

2. Thence, leaving said northwest line of Reserve "C2" and said southeast right-of-way line of City Walk, South 46 degrees 06 minutes 39 seconds East, a distance of 15.00 feet;

3. Thence, South 43 degrees 53 minutes 21 seconds West, a distance of 15.00 feet;

4. Thence, North 46 degrees 06 minutes 39 seconds West, a distance of 15.00 feet to the Point of Beginning and containing 0.0052 acres of land.

and

Sugar Land Town Square - Kiosk #2, being a 0.0052 acre (225 square feet) tract of land out of Reserve "C2" of SUGAR LAND TOWN SQUARE, SECOND AMENDING PLAT, a Planned Development District, according to the maps or plats thereof recorded under Slide Numbers 2464/B, 2465/A, and 2465/B of the Plat Records of Fort Bend County, Texas, described by metes and bounds as follows:

Being a 0.0052-acre (225 square feet) tract of land located in the S.M. Williams League, A-97, Fort Bend County, Texas; said 0.0052-acre tract being out of Reserve "C2" of Sugar Land Town Square, Second Amending Plat, a 31.8340-acre subdivision recorded in Slide Numbers 2464B thru 24654B of the Fort Bend County Plat Records (F.B.C.P.R.); said 0.0052-acre tract being more particularly described by metes and bounds as follows (all bearings are referenced to northwest line of said Reserve “C2”);

Commencing from an "X" found scribed in concrete for the most westerly corner of said Reserve "C2" and the most northerly corner of Reserve "R1" of Sugar Land Town Square, Reserve "R" Replat, a 3.1858-acre subdivision recorded in Slide No. 2373B of the F.B.C.P.R., same being on the southeast right-of-way line of City Walk (80-foot right-of-way) recorded in Slide Numbers 2464B thru 2465B of the F.B.C.P.R.;

Thence, continuing with said northwest line of Reserve "C2" and said southeast right-of-way line of City Walk, North 43 degrees 53 minutes 21 seconds East, a distance of 185.58 feet to the Point of Beginning and most westerly corner of the herein described tract;

1. Thence, continuing with said northwest line of Reserve “C2” and said southwest right-of-way line of City Walk, North 43 degrees 53 minutes 21 seconds east, a distance of 15.00 feet;

2. Thence, leaving said northwest line of Reserve “C2” and said southwest right-of-way line of City Walk, South 46 degrees 06 minutes 39 seconds East, a distance of 15.00 feet;

3. Thence, South 43 degrees 53 minutes 21 seconds West, a distance of 15.00 feet;

4. Thence, North 46 degrees 06 minutes 39 seconds West, a distance of 15.00 feet to the Point of Beginning and containing 0.0052 acres of land.

Exhibit B

Lease

[attached]

Exhibit C

Sublicense 1

[attached]

Exhibit D

Sublicense 2

[attached]