


Controller's Office

To the Honorable Mayor and City Council of the City of Houston:

In accordance with Article II, Section 19a of the Charter of the City of Houston, I do hereby certify that the money required for the expenditure or expenditures specified in the ordinance set out below will be available out of current or general revenue prior to the maturity of any such obligation, and is not appropriated for any other purposes.

Date: 2-25, 2014

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City Controller of the City of Houston

1000/9900/532040 \$18,113,061.00 PR#10180942

OA# 46-12561

City of Houston, Texas, Ordinance No. 2014-165

AN ORDINANCE AUTHORIZING AN INTERLOCAL AGREEMENT BETWEEN THE CITY AND HOUSTON FORENSIC SCIENCE LGC, INC.; ADOPTING BY REFERENCE CERTAIN FINDINGS IN THE SAID AGREEMENT; AUTHORIZING CERTAIN TRANSFERS; PROVIDING FOR SEVERABILITY; AND DECLARING AN EMERGENCY.

* * * *

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

Section 1. The City Council hereby approves and authorizes the contract, agreement, or other undertaking described in the title of this Ordinance, in substantially the form attached to this Ordinance as Exhibit "1" and incorporated herein by reference. Specifically, the agreement approved and authorized by this Ordinance is the "First Interlocal Agreement [(the 'ILA')] Between the City of Houston and Houston Forensic Science LGC, Inc. [(the 'Corporation')]."

Section 2. The City Council hereby adopts by reference the recitals on Pages 2, 3, and 4 of the ILA.

Section 3. The Mayor is hereby authorized to execute the ILA and all related documents on behalf of the City of Houston. The City Secretary is hereby authorized to attest to all such signatures and to affix the seal of the City to all such documents.

Section 4. Section 7.05 of the ILA provides in part as follows: "In the event the Corporation's supervision and management of any individual Classified [as defined by the ILA] is discontinued as a result of ... any action by the City ..., the Corporation's obligation to reimburse the City for the Classified's Cash Compensation and Benefit Expenses [also

as defined by the ILA] ends automatically." In such event, and in a manner consistent with Section 8 of City of Houston Ordinance No. 2013-617 or with comparable provisions in future annual budgets of the City, the Mayor is hereby authorized to transfer to the General Fund of the Houston Police Department funds in an amount equal to the reimbursement the Corporation would have been obligated to make to the City during the then-current Fiscal Year but for the operation of Section 7.05 of the ILA, *provided that*, this Ordinance shall not authorize any such transfer resulting solely from a Classified's death, retirement, resignation, or other termination of the Classified's employment with the City.

Section 5. The City Attorney is hereby authorized to take all action necessary to enforce all legal obligations of the ILA without further authorization from Council.

Section 6. That, if any provision, section, subsection, sentence, clause, or phrase of this Ordinance, or the application of same to any person or set of circumstances, is for any reason held to be unconstitutional, void, or invalid, the validity of the remaining portions of this Ordinance or their application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council in adopting this Ordinance that no portion hereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness, or invalidity of any other portion hereof, and all provisions of this Ordinance are declared to be severable for that purpose.

Section 7. There exists a public emergency requiring that this Ordinance be passed finally on the date of its introduction as requested in writing by the Mayor; therefore, this Ordinance shall be passed finally on such date and shall take effect immediately upon its passage and approval by the Mayor; however, in the event that the Mayor fails to sign this Ordinance within five days after its passage and adoption, it shall take effect in accordance with Article VI, Section 6, Houston City Charter.

PASSED AND ADOPTED this 26th day of February, 2014.

APPROVED this ___ day of _____, 2014.

Mayor of the City of Houston

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is MAR 04 2014, 2014.



City Secretary

Requested by Charles McClelland
 Chief of Police
 Houston Police Department

Prepared by Legal Dept. *JMP. Allen*
 First Assistant City Attorney

LD File No. 0421100101001

AYE	NO	
✓		MAYOR PARKER
••••	••••	COUNCIL MEMBERS
✓		STARDIG
✓		DAVIS
✓		COHEN
✓		BOYKINS
✓		MARTIN
✓		NGUYEN
✓		PENNINGTON
✓		GONZALEZ
✓		GALLEGOS
✓		LASTER
✓		GREEN
✓		ABSENT ON PERSONAL BUSINESS COSTELLO
✓		ROBINSON
✓		KUBOSH
✓		BRADFORD
	✓	CHRISTIE
CAPTION	ADOPTED	

FIRST INTERLOCAL AGREEMENT

Between

THE CITY OF HOUSTON

and

HOUSTON FORENSIC SCIENCE LGC, INC.

Exhibit 1

INTERLOCAL AGREEMENT

This First Interlocal Agreement ("this Agreement") by and between the CITY OF HOUSTON, a Texas home rule municipality (the "City"), and HOUSTON FORENSIC SCIENCE LGC, INC., a Texas local government corporation ("HFSLGC" or the "Corporation") is effective on the "Countersignature Date" as defined below. The City and the Corporation constitute the "Parties" to this Agreement.

WITNESSETH:

WHEREAS, the accurate analysis of forensic evidence is widely recognized as essential to the just and efficient enforcement of criminal laws; and

WHEREAS, for many years the City has relied on the Houston Police Department ("HPD") for the collection and analysis of forensic evidence, services HPD has provided through the Crime Lab Division (the "HPD Crime Lab") and the Identification Division of HPD's Forensic Services Command; and

WHEREAS, in 2002 the City learned of serious, systemic managerial and operational failures in the HPD Crime Lab, which failures were detailed in the "Final Report of the Independent Investigator for the Houston Police Department Crime Laboratory and Property Room" (the "Bromwich Report") prepared in 2007 by Michael R. Bromwich and his investigative team; and

WHEREAS, at the City's insistence, but also with the City's full support, HPD has engaged in extraordinary efforts to correct the managerial and operational failures described in the Bromwich Report; and

WHEREAS, the City Council of the City acknowledges that significant across-the-board operational improvements have enabled the HPD Crime Lab to be accredited under the "Legacy" program of the American Society of Crime Laboratory Directors / Laboratory Accreditation Board ("ASCLD/LAB") and that the Lab expects to be accredited under ASCLD/LAB's "International" program or a similarly rigorous program by mid-2015; and

WHEREAS, the City Council has concluded that a just and efficient criminal justice system requires forensic services characterized by objective, scientifically rigorous standards and operational excellence, with management independent from actual or perceived influence of law enforcement, prosecutors, elected officials, and special interest groups, a goal consistent with *Strengthening Forensic Science in the United*

States: A Path Forward, the landmark 2009 study by the National Academy of Sciences (the "National Academy"); and

WHEREAS, Subchapter D, Chapter 431, Texas Transportation Code, authorizes the creation of local government corporations to aid and act on behalf of local governments; and

WHEREAS, on June 6, 2012, the City Council passed Resolution No. 2012-17, which memorialized the City Council's finding that the City's creation of a local government corporation to operate an independent forensic science center to provide the City with accurate and timely analysis of forensic evidence and related services would accomplish an important governmental purpose, namely, to enhance the welfare and safety of the public; and

WHEREAS, Resolution No. 2012-17 both authorized the City's creation of the Corporation to operate the said independent center and approved the form of the Corporation's Certificate of Formation (the "Certificate of Formation"); and

WHEREAS, as prescribed by the Certificate of Formation, the affairs of the Corporation are managed by a Board of Directors appointed by the Mayor of the City (the "Mayor") and confirmed by the City Council; and

WHEREAS, also as prescribed by the Certificate of Formation, the Board of Directors "[i]n the aggregate [are] qualified to govern a forensic science center and to provide guidance regarding forensic science issues from the perspectives of science, law enforcement, public policy, business, persons accused of crimes, and the general public;" and

WHEREAS, the City does not employ, compensate, or direct the activities of any voting Director of the Corporation; and

WHEREAS, the City Council has found that the Corporation's mode of governance provides independence from actual or perceived influence by law enforcement, prosecutors, elected officials, and special interest groups and therefore is consistent with the conclusions of the National Academy acknowledged above; and

WHEREAS, Section 791.003(4)(B), Texas Government Code, provides that a "local government corporation created under Subchapter D, Chapter 431, Transportation Code," such as the Corporation, is a "local government" for the purposes of the Interlocal Cooperation Act, which Act has been codified as Chapter 791, Texas

Government Code; and

WHEREAS, Section 791.011(a), Texas Government Code, provides that "[a] local government may contract or agree with another local government ... to perform governmental functions and services" in accordance with the Interlocal Cooperation Act; and

WHEREAS, Article IV(A)(1) of the Certificate of Formation authorizes the Corporation "[t]o contract with persons and with governmental, for-profit, and non-profit entities for the procurement of facilities, equipment, and services; the hiring of personnel; and the operation of the [forensic science] [c]enter;" and

WHEREAS, in light of the findings and circumstances described above, the City desires to transfer to the Corporation, and the Corporation agrees to accept, control of and responsibility for the "Forensic Operations" as defined herein, to the degree and according to the terms stated in this Agreement; and

WHEREAS, the City Council acknowledges that all or substantially all of the City employees assigned to the operations subject to this Agreement desire to remain employees of the City and to continue to receive benefits and rights provided by the City to its employees; and

WHEREAS, both the City Council and the Corporation desire to effect the transfer of control and responsibility as described herein;

NOW, THEREFORE, in consideration of the premises and the mutual covenants, conditions, and promises hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the Parties hereby covenant and agree as follows:

ARTICLE 1. DEFINITIONS.

In addition to definitions appearing elsewhere in this Agreement, for the purposes of this Agreement the terms listed below have the meaning stated.

"2011 Meet & Confer" means the "Meet & Confer Agreement between the Houston Police Officers' Union (HPOU) as the Majority Bargaining Agent for all Police Officers and the City of Houston, Texas for Fiscal Years 2011 through 2015," together with any amendment or replacement of the said agreement to the extent the amendment or replacement is not inconsistent with a material term of this Agreement.

"Assets" means every tangible or intangible asset, including but not limited to the Contract Rights, in which the City has a property interest and that is or was used, or that is or was available for use, in the ordinary course of the Forensic Operations at any time during the 180 days prior to the Mayor's Signature Date, *except that* "Assets" shall not include (a) the Leasehold; (b) the Provisional Assets; (c) any asset that, despite the best good-faith efforts of the City and Corporation, the City may not transfer to the Corporation without committing a material violation of a lawful statute, regulation, or agreement with a third party; or (d) any asset in which the City divests the entirety of its interest in the ordinary course of business prior to the Completion Date.

"Chief of Police" means the Chief of the Houston Police Department.

"City's Finance Director" means the Director of the City's Finance Department.

"City's HR Director" means the Director of the City's Department of Human Resources.

"Civilians" means the persons listed on Exhibit "A." As of the Mayor's Signature Date, each Civilian (a) is employed by the City in the stated job classification and under the stated employee number; (b) is supervised by HPD; but (c) is not an employee within the scope of Section 143.003(5), Texas Local Government Code.

"Civilian Cash Compensation" means a sum equal to the total of (a) cash actually paid by the City to the Civilians in the ordinary course of the City's business from the Management Date through the last day of the Term, as wages, sick leave, vacation leave, or compensatory time, plus (b) a sum equal to a reasonable estimate of the administrative overhead incurred by the City for the calculation and payment of (a).

"Civilian Benefit Expenses" means a sum equal to the total of (a) cash actually paid by the City to the Civilians or to third parties in the ordinary course of the City's business from the Management Date through the last day of the Term, as payment, in whole or in part, of perquisites benefitting the Civilians, plus (b) a sum equal to a reasonable estimate of the administrative overhead incurred by the City for the calculation and payment of (a). In this context, "perquisites" include insurance coverage, contributions to retirement plans, and parking expenses.

"Civilian Personnel Information" means the following documents for each Civilian, to the extent the documents are within the City's custody or control: A copy of the Civilian's application for employment with the City; copies of all documents constituting or directly related to evaluations of the Civilian's job performance; copies of

all documents evidencing the Civilian's formal education; to the extent related to the Civilian's employment with the City, copies of all documents evidencing the Civilian's training and any licenses, certifications, and awards received by the Civilian; copies of all documents related to all actions taken by the City related to the Civilian's job performance, including documentation of any corrective or disciplinary actions; and copies of documents from which the Corporation may discern the Civilian's salary history while employed by the City.

"Classifieds" means the persons listed on Exhibit "B." As of the Mayor's Signature Date, each Classified (a) is employed by the City in the stated job classification and under the stated employee number; (b) is supervised by HPD; and (c) is an employee within the scope of Section 143.003(5), Texas Local Government Code. The Parties acknowledge that, notwithstanding Article 23 of the 2011 Meet & Confer, for the purposes of this Agreement "Classifieds" does not include personnel assigned by HPD to Polygraph or to the Automated Fingerprint Information System ("AFIS").

"Classified Cash Compensation" means a sum equal to the total of (a) cash actually paid by the City to the Classifieds in the ordinary course of the City's business from the Management Date through the last day of the Term, as wages, paid time off, or any other form of cash compensation if and as required by the 2011 Meet & Confer, plus (b) a sum equal to a reasonable estimate of the administrative overhead incurred by the City for the calculation and payment of (a).

"Classified Benefit Expenses" means a sum equal to the total of (a) cash actually paid by the City to the Classifieds or to third parties in the ordinary course of the City's business from the Management Date through the last day of the Term, as payment, in whole or in part, of perquisites benefitting the Classifieds, plus (b) a sum equal to a reasonable estimate of the administrative overhead incurred by the City for the calculation and payment of (a). In this context, "perquisites" include insurance coverage, contributions to retirement plans, and parking expenses.

"Classified Personnel Information" means copies of documents from which the Corporation may discern the date of each Classified's employment by the City and any changes in each Classified's rank, job title, and job description, together with the date of each such change.

"Completion Date" means the date 210 days after the Countersignature Date.

"Contract Rights" means all legal rights and benefits that (a) arise from agreements between the City and third parties; (b) are enjoyed by the City as of the

Mayor's Signature Date; and (c) are necessary or desirable for the performance of the Forensic Operations, *except that* "Contract Rights" shall not include a right or benefit that in the ordinary course of business is fully received or otherwise expires prior to the Completion Date.

"Corporation Fiscal Year" is the same fiscal year as the City's fiscal year.

"Countersignature Date" means the date on which this Agreement is countersigned by the Controller of the City.

"Executive Director" means the Executive Director of the Corporation.

"Force Majeure" means an event or circumstance beyond the reasonable control of, and without the fault or negligence of, the Party claiming Force Majeure. It shall include an act of God; war (declared or undeclared); sabotage; civil unrest or disturbance; military action; civil strike, work stoppage, slow-down, or lock-out; explosion; fire; earthquake; hurricane, flood; a binding injunction issued by a court with lawful jurisdiction; failure of equipment neither utilized by nor under the control of either Party; or failure of equipment utilized by and under the control of a Party, *provided that* such equipment has been operated and maintained in accordance with prudent practice.

"Forensic Operations" means the operations of

- (a) the HPD Crime Lab, which consists of Toxicology, Controlled Substance, Forensic Biology (DNA), Firearms, and Crime Lab Quality Control; and
- (b) HPD's Identification Division, which consists of
 - (i) the Latent Print Laboratory, including Latent Print Evidence Processing, Latent Print Comparisons, and Latent Print Quality Control, but specifically excluding the Automated Fingerprint Information System ("AFIS");
 - (ii) the Audio/Visual Laboratory;
 - (iii) the Digital Forensics Laboratory; and
 - (iv) the Crime Scene Units,

as all such operations exist thirty days prior to the Mayor's Signature Date.

"Leasehold" means (a) the spaces described in reasonable detail in the attached Exhibit "C"; (b) the self-contained office space inside the structure at 1305 Dart Street, Houston, Texas; and (c) all access, utilities, parking, and services related to (a) and (b) and used in the ordinary course of business of the Forensic Operations or the Corporation.

"Management Date" means the date thirty days after the Countersignature Date.

"Mayor's Signature Date" means the date on which this Agreement is signed by the Mayor.

A "New Hire" is a natural person directly employed by the Corporation, including persons so employed prior to the Management Date. A New Hire is neither a Civilian nor a Classified.

"Provisional Assets" means the vehicles and certain other items of personal property listed and described in reasonable detail on Exhibit "D."

"Resources" means the Assets plus the City's property interests in the Leasehold and in the Provisional Assets whose transfer to the Corporation in whole or in part are among the subjects of this Agreement.

"Shared Spaces" means all interior and exterior spaces at 1305 Dart Street, Houston, Texas (except for space at the said address included in the Leasehold), together with all access, utilities, parking, and services related to the said spaces.

"Term" is defined in Section 4.01 of this Agreement.

ARTICLE 2. RULES OF CONSTRUCTION.

Section 2.01. Descriptions. As used in this Agreement, "described in reasonable detail" means described in a manner sufficient to enable a third party to identify (and, as applicable, to locate) the specific property, right, or obligation without additional information.

Section 2.02. Time. All references to time in this Agreement refer to time as observed in Houston, Texas. Unless stated otherwise, all references to days are to calendar days.

Section 2.03. Construction of this Agreement. This Agreement shall be construed under the laws of the State of Texas, and all references to statutes and ordinances shall be construed to include any amendments of the said laws. In addition, the rules of construction and definitions in Section 1-2 of the City's Code of Ordinances shall apply to this Agreement, which is to be construed liberally to effectuate the purposes stated in the Corporation's Certificate of Formation or in the aforementioned Resolution No. 2012-17.

Section 2.04. Successors and Designees. All references in this Agreement to a particular person or entity shall include the person's or entity's successors and authorized designees.

Section 2.05. Exhibits. All Exhibits described in and attached to this Agreement are incorporated into this Agreement as if set out fully herein, *provided that* in the event of a conflict between an Exhibit and this Agreement, this Agreement shall control.

**ARTICLE 3. TRANSFER OF RESPONSIBILITY AND CONTROL;
ADDITIONAL OBLIGATIONS OF THE PARTIES.**

Section 3.01. City's Transfer of Responsibility and Control. At 12:01 a.m. on the Management Date, the Corporation shall assume responsibility for and control of the Forensic Operations.

Section 3.02. City's Transfer of Assets to Corporation. The City hereby transfers, assigns, and delegates to the Corporation all of the City's interest in the Assets, which transfer, assignment, and delegation shall be effective at 12:01 a.m. on the Management Date. Before the Completion Date, the City will execute such additional documents as may be necessary to transfer to the Corporation legal title to the Assets. The Corporation hereby accepts the said transfer, assignment, and delegation under the terms provided herein. To the extent the City's transfer of an Asset requires the agreement of a third party, the City and the Corporation agree to use their respective best good-faith efforts to obtain all such agreements before the Completion Date.

Section 3.03. Corporation's Use of Provisional Assets. Effective at 12:01 a.m. on the Management Date, the City will make the Provisional Assets available for use by the Corporation as necessary or desirable for the operation of an independent forensic science center as contemplated by the aforementioned Resolution No. 2012-17, including but not limited to performance of the Forensic Operations. The City will maintain and replace the Provisional Assets in keeping with standards no less stringent

than the maintenance and replacement standards observed by the City for the same or similar items of personal property prior to the Mayor's Signature Date. **In the absence of a written agreement duly authorized and executed by the City and the Corporation, this Section 3.03 will expire automatically on June 30, 2017.**

Section 3.04. Corporation's Control of Leasehold. Effective at 12:01 a.m. on the Management Date, the Corporation shall have exclusive access to and control of the Leasehold in all circumstances except those presenting a serious and immediate threat to human safety, in which case authorized employees of the City may enter the Leasehold for the sole purpose of addressing the said threat.

Section 3.05. Corporation's Lease of Leasehold. The Parties agree to enter into a written lease (the "Written Lease") not later than the Completion Date, by which document the Corporation will lease the Leasehold from the City for a three-year term beginning no later than the Completion Date. All remaining terms of the Written Lease shall be commercially reasonable in light of the circumstances as a whole. The Parties further agree that, in the event they are unable to agree upon the remaining terms of the Written Lease, each Party shall name an experienced commercial real estate broker familiar with the market conditions and other objective factors by which the remaining terms may be determined. The two brokers shall name a third similarly experienced and knowledgeable broker. The three brokers shall agree upon the remaining terms of the Written Lease, which terms shall be accepted by the Parties, subject only to any limitations on the City's authority imposed by the City's Charter or by state or federal law. The Corporation will pay the reasonable fees and expenses of the three brokers for services performed pursuant to this Section 3.05. Notwithstanding anything to the contrary in this Section 3.05, no term of the Written Lease shall be inconsistent with this Agreement or with any material term of the aforementioned Resolution No. 2012-17.

Section 3.06. Mutual Access to Shared Spaces. Effective at 12:01 a.m. on the Management Date, the City and the Corporation shall have joint access to the Shared Spaces. Each Party shall make every reasonable effort to ensure the security of the Shared Spaces and to cooperate with the other Party's utilization of the Shared Spaces in an efficient manner.

Section 3.07. Availability of Personnel Information. Within five days after the Management Date, the City will tender to the Corporation the Civilian Personnel Information and the Classified Personnel Information, at no expense to the Corporation.

Section 3.08. Progressive Discipline. Not later than the Management Date, the Executive Director shall promulgate rules and procedures for a "progressive discipline"

system applicable to the Civilians and the New Hires, which system shall be consistent with the criteria for such systems generally accepted by human resources professionals and will not be inconsistent with similar systems used by the City. In the event of a conflict between this Section 3.08 and Section 6.03 of this Agreement, Section 6.03 shall control.

ARTICLE 4. TERM; OBLIGATIONS UPON TERMINATION.

Section 4.01. Term. The Term of this Agreement (the "Term") shall begin on the Countersignature Date and shall end at midnight on the first to occur of (a) June 30, 2019; (b) the termination of this Agreement by either Party as provided herein; or (c) the termination of this Agreement by the mutual written agreement of the City and the Corporation. Notwithstanding the preceding sentence, the Term shall extend automatically for a period commencing July 1, 2019, and ending June 30, 2025, unless either Party provides notice to the other Party on or before February 1, 2019, of its election to terminate this Agreement as of June 30, 2019.

Section 4.02. Corporation's Obligations Upon Expiration or Termination. Upon the expiration or termination of this Agreement, and notwithstanding any contrary provision of the Written Lease, the Corporation shall surrender to the City the Corporation's interest in the Leasehold (if and as such interest exists on the date of expiration or termination) and shall execute such documents as are necessary to transfer to the City the Corporation's responsibility for and control of the Civilians, the Classifieds, and the Forensic Operations (as the Forensic Operations exist on the date of expiration or termination), as well as all interests in real and personal property, whether contingent or vested, then owned by or in the lawful possession of the Corporation. The obligations imposed by this Section 4.02 shall survive the expiration or termination of this Agreement until the said obligations are fully discharged.

Section 4.03. City's Obligations Upon Expiration or Termination. Upon the expiration or termination of this Agreement, the City (a) shall accept the responsibility, control, and interests tendered by the Corporation pursuant to Section 4.02 of this Agreement and (b) shall assume, perform, or otherwise satisfy in the ordinary course of business all then-pending obligations of the Corporation. The obligations imposed by this Section 4.03 shall survive the expiration or termination of this Agreement until the said obligations are fully discharged.

ARTICLE 5. REPRESENTATIONS AND WARRANTIES.

Section 5.01. Accuracy of Exhibits. The City warrants the accuracy of all Exhibits to this Agreement.

Section 5.02. City's Ownership of Resources; Permission to Transfer. The City represents and warrants that as of 5:00 p.m. on the Mayor's Signature Date the City owns or otherwise has lawful possession or control of the Resources; that no person or entity other than the City has a property interest in the Resources unless the interest is described in reasonable detail in a notice delivered to the Corporation's Executive Director at least thirty days before the Mayor's Signature Date.

Section 5.03. No Transfer of Resources to Third Parties. The City represents and warrants that from 5:00 p.m. on the Mayor's Signature Date until 12:01 a.m. on the Completion Date, the City shall not transfer any interest in the Resources to a third party except as authorized in writing by the Executive Director, which authorization shall not be given unless the Executive Director reasonably concludes the transfer is essential to avoid a serious disruption of the Forensic Operations.

Section 5.04. No Default. The City and the Corporation represent and warrant to each other that their respective performances of this Agreement will not result in the violation of any law or in a default of any contract, grant, bequest, or agreement.

Section 5.05. Certain Negotiations Between City and Majority Bargaining Agent(s). The City represents and warrants that it will provide the Corporation (a) with reasonable advance notice of any negotiations between the City and the Houston Police Officers' Union ("HPOU"), the Houston Organization of Public Employees ("HOPE"), or, as may be applicable, any future "Majority Bargaining Agent" if such negotiations are reasonably likely to result in one or more changes materially affecting the Forensic Operations and (b) with a reasonable opportunity to review and comment upon any such changes before the City enters into a binding agreement with HPOU, HOPE, or a future Majority Bargaining Agent.

Section 5.06. No Amendment of Certificate of Formation or of Bylaws. The Corporation represents and warrants that no amendment of the Corporation's Certificate of Formation or Bylaws will be effective without the City's consent, as evidenced by a resolution approved by a majority vote of the City Council.

Section 5.07. Sufficient Funds for Remainder of Fiscal Year. The City represents and warrants to the Corporation that the funds to be transferred by the City to the Corporation pursuant to Section 11.03 of this Agreement will be sufficient to maintain, at a minimum, the ordinary course of business of the Forensic Operations and the Corporation for the remainder of the City's Fiscal Year ending June 30, 2014. For the purposes of this Section 5.07, the ordinary course of the Corporation's business

includes, but is not limited to, payment of the Civilian Cash Compensation, the Civilian Benefit Expense, the Classified Cash Compensation, and the Classified Benefit Expense for each of the persons and positions listed on Exhibits "A" and "B" of this Agreement.

Section 5.08. Binding Obligation. Each Party represents and warrants to the other Party that its execution and delivery of this Agreement has been duly authorized by all proper actions and proceedings, including approval of this Agreement and all Exhibits hereto by the City Council and by the Corporation's Board of Directors, and that this Agreement constitutes a legal, valid, and binding obligation of such Party.

ARTICLE 6. SERVICES PROVIDED BY CIVILIANS.

Section 6.01. Management of Civilians. At 12:01 a.m. on the Management Date, the Corporation shall assume responsibility for and control of the Civilians, at which time the Civilians shall provide services to the Corporation, reporting to the Executive Director as if the Executive Director were the Chief of Police. Notwithstanding the preceding sentence, the Parties acknowledge that each Civilian will remain an employee of the City until such employment is terminated by the Civilian or by the City. The City acknowledges (a) that, for as long as a Civilian remains in the City's employ, the City will continue to provide the Civilian with the compensation, benefits, and rights provided by the City in the ordinary course of the City's business and (b) that the obligation to provide the said compensation, benefits, and rights is the City's obligation, not the Corporation's. For the purposes of this Agreement, "benefits" specifically includes, but is not limited to, transportation-related benefits such as parking, shuttle services, and bus passes, and "rights" specifically includes, but is not limited to, the City's civil service rules and procedures.

Section 6.02. Modification of City Job Classifications or Compensation. The Executive Director may assign to any Civilian a job description or a job title different from the job description or job title in effect for that Civilian prior to the Management Date. Any such assignment shall have no impact on the Civilian's job classification or compensation, which the Civilian will continue to receive as an employee of the City. Notwithstanding the immediately preceding sentence, the Executive Director may ask the City to modify the job classification or compensation of any Civilian. All such requests shall be submitted in writing to the City's HR Director, who shall honor the request as described in this Section 6.02, *provided that* honoring the request will not violate applicable law or any written policy of the City in effect at least ninety days prior to the date of the Executive Director's request. The City's HR Director shall respond in writing within thirty days after receipt of the request; the response may (a) state that the request is granted and, if so, the effective date of the modification; (b) state

that the request is denied, *provided that* the response identifies the law or policy that would be violated if the request had been granted; (c) request additional information regarding the request; or (d) propose an alternative to granting the request. Any further communications between the Executive Director and the City's HR Director pursuant to this Section 6.02 shall be made as promptly as possible under the circumstances.

Section 6.03. Return of Responsibility and Control. In a manner not inconsistent with the progressive discipline system required by Section 3.07 of this Agreement, the Corporation may discontinue its responsibility for and control of any Civilian at any time by delivering a written notice (the "Notice of Return") to the Civilian and delivering a copy of the Notice of Return to the City's HR Director. Upon receipt of the Notice of Return, the Civilian shall discontinue providing services to the Corporation and, in the absence of written permission from the Executive Director, shall not have access to the Leasehold or to any other premises under the exclusive control of the Corporation. The Notice of Return shall state with specificity the reason(s) for the Corporation's action and identify any policy or procedure of the Corporation violated by the Civilian. The reason(s) for the Corporation's action must relate directly to a legitimate objective of the Corporation, may not violate applicable law, and may not be for the purpose, in whole or in part, of replacing a Civilian with a New Hire. The City shall accept responsibility for and control of the Civilian upon the City's HR Director's receipt of a copy of the Notice of Return. Not later than 30 days after delivering the Notice of Return, the Parties and the Civilian may agree in writing that responsibility for and control of the Civilian shall revert to the Corporation on a date certain, on which date the status of the Civilian with regard to the Corporation shall be as if the Corporation had never delivered the said Notice of Return.

Section 6.04. Vacant Civilian Positions. If a Civilian (a) voluntarily vacates his position or (b) is removed from his position on a for-cause basis, the Executive Director may abolish the position or fill the position with another Civilian, a New Hire, or a Classified (the last only if and as permitted by the 2011 Meet & Confer Agreement).

Section 6.05. End of Corporation's Management of Civilian; Effect. With regard to any individual Civilian, in the event of (a) the termination of the Civilian's employment with the City (whether voluntarily or otherwise) or (b) the Corporation's sending a Notice of Return to the Civilian as contemplated by Section 6.03 of this Agreement, the Corporation's obligation to reimburse the City for Civilian Cash Compensation and Civilian Benefit Expenses ends automatically.

ARTICLE 7. SERVICES PROVIDED BY CLASSIFIEDS.

Section 7.01. Management of Classifieds. At 12:01 a.m. on the Management Date, the Corporation shall assume supervision and management responsibility for Classifieds as set out in Article 23 of the 2011 Meet & Confer, at which time each Classified shall be managed by the Executive Director, *provided that* the substance of the Houston Police Department's General Orders, the civil service rules of the Texas Local Government Code, and the City's civil service rules and procedures shall continue to apply to each Classified. Specifically, the Executive Director's supervision and management responsibility shall be limited to administrative responsibilities and any issue involving how forensic responsibilities are to be performed and who will perform them. In all other management and supervision matters, the Chief of Police will exercise ultimate authority over any Classified in any matter, including but not limited to, those powers, duties, and rights established by statute, the City Charter, City Ordinances, the 2011 Meet & Confer Agreement, or applicable law.

Section 7.02. Classifications and Compensation. To the extent not prohibited by the 2011 Meet & Confer Agreement or by statute, the Executive Director may assign to any Classified a job description or a job title different from the job description or job title in effect for that Classified prior to the Management Date. Any such assignment shall have no impact on the Classified's job classification or compensation, which shall continue to be governed by the 2011 Meet & Confer Agreement, the Texas Local Government Code, City Ordinances, and other applicable law.

Section 7.03. Classified's Position with Corporation. Pursuant to the 2011 Meet & Confer Agreement, any Classified may remain in his position with the Corporation until such time as the Classified (a) retires from or otherwise voluntarily vacates the position or (b) is removed from the position on a for-cause basis in the manner provided by the 2011 Meet & Confer Agreement and applicable law. In either event, the Executive Director may abolish the position or fill the position with another Classified (*provided that* filling the position with another Classified is not inconsistent with the 2011 Meet & Confer), with a Civilian, or with a New Hire.

Section 7.04. Request to Transfer Classified. Notwithstanding anything to the contrary in this Article 7, for a reason rationally related to a legitimate objective of the Corporation, the Executive Director may request that the Chief of Police transfer a Classified out of the Forensic Operations. The Corporation acknowledges that the Chief of Police will not be obligated to grant the Executive Director's request.

Section 7.05. End of Corporation's Management of Classified; Effect. In the event the Corporation's supervision and management of any individual Classified is discontinued as a result of (a) the Classified's death or his retirement or resignation

from his employment with the City or (b) any action by the City (whether or not resulting from a request made pursuant to Section 7.04 of this Agreement), the Corporation's obligation to reimburse the City for the Classified's Cash Compensation and Benefit Expenses ends automatically.

ARTICLE 8. REIMBURSEMENT OF CERTAIN PERSONNEL EXPENSES

Not later than the last business day of each month, the City shall submit to the Corporation an invoice for all Civilian Cash Compensation, Civilian Benefit Expenses, Classified Cash Compensation, and Classified Benefit Expenses actually paid by the City during the previous month. (Example: By the last business day of September, the City shall submit one or more invoices for all such payments made by the City during August.) Each invoice shall provide detail sufficient for the Corporation to determine the exact amounts and purposes of the funds paid by the City to or on behalf of the Civilians and the Classifieds (each of whom shall be identified specifically) during the period covered by the invoice. Notwithstanding the first sentence of this Article 8, the City shall submit the first such invoice not later than the last business day of the second full month following the Management Date, and the first such invoice shall include funds paid by the City from the Management Date through the first full month following the Management Date. Except for invoices the Corporation believes in good faith to be in error, the Corporation shall pay each invoice submitted by the City pursuant to this Article 8 within sixty days of the Corporation's receipt of the invoice.

ARTICLE 9. NEW HIRES.

Section 9.01. Authority for New Hires. The Corporation shall have sole authority (a) to employ directly, and to terminate the employment of, such personnel as are necessary to accomplish the purposes stated in the Corporation's Certificate of Formation and (b) to determine job classifications, job duties, compensation, benefits, policies, and practices pertinent to the New Hires.

Section 9.02. Former City Employees as New Hires. The Corporation may employ a former employee of the City. Before doing so, however, the Corporation shall disclaim to the said person in writing any duty by the Corporation to provide legal, financial, or other assistance related to benefits (specifically including retirement benefits) to which the person may be entitled, or may claim to be entitled, as a result of his past employment by the City.

ARTICLE 10. ADDITIONAL COVENANTS.

Section 10.01. Corporation's Compliance with Applicable Laws. The

Corporation will comply with all applicable laws; procure all required government and regulatory approvals; pay all fees, taxes, and other expenses; and give all notices necessary or prudent for the lawful and proper execution of its activities.

Section 10.02. Corporation's Commitment to Disadvantaged Business Policies.

On November 8, 2013, the Corporation's Board of Directors unanimously approved Resolution No. 2013-004, which Resolution is incorporated into this Agreement as if set out fully herein. By Resolution No. 2013-004, the Corporation adopted by reference the "minority/women disadvantaged business enterprise policies" stated in Article V ("Minority, Women and Small Business Enterprises") and in Article VI ("Persons with Disabilities Business Enterprises") of Chapter 15 of the City's Code of Ordinances (collectively, the "Disadvantaged Business Policies"). The Corporation will continue to comply with Resolution No. 2013-004 and will neither rescind nor modify the said Resolution absent a variance approved in writing by the Director of the City's Office of Business Opportunity.

Section 10.03. City's Commitment to Provide Assistance. The City agrees to provide, through the City's Office of Business Opportunity, timely advice and recommendations to the Corporation regarding the proper application of the Disadvantaged Business Policies, at no cost to the Corporation.

ARTICLE 11. FINANCIAL SUPPORT OF THE CORPORATION.

Section 11.01. Previous Funding of the Corporation. The Parties acknowledge that on October 17, 2012, the City Council passed and approved Ordinance No. 2012-912 authorizing Memorandum of Understanding No. 1 between the City and the Corporation, pursuant to which the City disbursed to the Corporation the sum of \$500,000.00 on October 30, 2012. The Parties further acknowledge that on December 11, 2013, the City Council passed and approved Ordinance No. 2013-160 authorizing Memorandum of Understanding No. 2 between the City and the Corporation ("MOU No. 2"), pursuant to which the City disbursed to the Corporation the sum of \$1,567,110.00 on December 30, 2013.

Section 11.02. Current Funding of the Forensic Operations. On June 19, 2013, the City Council passed and approved Ordinance No. 2013-617, which Ordinance adopted the final budget of the expenditures of the City's General, Enterprise and Special Revenue Funds for the Fiscal Year beginning July 1, 2013, and ending June 30, 2014 (the "FY14 City Budget", a copy of which document is available for review at <http://www.houstontx.gov/budget/14budadopt/index.html>). The FY14 City Budget is incorporated into this Agreement as if set out fully herein. Page VII-4 of the FY14

City Budget authorizes (at Line 532040) the transfer of \$22,944,904.00 (the "FY14 Forensic Funds") from the City to the Corporation; authorization for the transfer is further acknowledged on Page VII-2. Notwithstanding the said authorization in the FY14 City Budget, the Parties agreed, and continue to agree, that, other than the funds disbursed to the Corporation pursuant to MOU No. 2 (as described in Section 11.01 of this Agreement), no portion of the FY14 Forensic Funds would be transferred to the Corporation until the Management Date, as defined by this Agreement. The Parties further acknowledge that, from July 1, 2013, until the Management Date, the City has paid or will have paid various expenses of the Forensic Operations from the FY14 Forensic Funds, with all such payments having been approved, or the Parties in good faith expect will be approved, by both HPD and the Executive Director.

Section 11.03. Transfer of Funds to the Corporation. On the Management Date, the City will transfer to the Corporation all unspent FY14 Forensic Funds. Notwithstanding the preceding sentence, the Parties may agree to adjust the amount of funds transferred to account for any variance between the forensic activities contemplated by the FY14 City Budget and the Forensic Operations to be managed by the Corporation as a result of this Agreement. By way of example only, the FY14 City Budget may have assumed the Corporation will provide polygraph services, when in fact the Corporation will not provide such services. Any adjustment in the amount of funds transferred to the Corporation pursuant to this Section 11.03 shall be on commercially reasonable terms.

Section 11.04. Future Funding. In addition to other obligations created by this Agreement, in a manner consistent with its Charter, ordinances, orders, and administrative procedures, as well as applicable laws and regulations, the City from time to time shall disburse to the Corporation such funds as the City reasonably deems necessary and prudent for the Corporation to accomplish the purposes stated in the Corporation's Certificate of Formation or in the aforementioned Resolution No. 2012-17. In addition to this Agreement, the City and the Corporation may enter into such written agreements as are lawful and commercially reasonable to meet the City's needs for analyses of forensic evidence and related services.

Section 11.05. Funds Received by the Corporation. Funds lawfully received by the Corporation from any source shall be the sole property of the Corporation, subject to Section 4.02 of this Agreement.

ARTICLE 12. ACCOUNTING; MAINTENANCE AND PRESERVATION.

Section 12.01. Accounting Procedures and Standards. Absent a variance

approved in writing by the City's Finance Director, the Corporation will comply with the "Accounting Procedures and Standards for Local Government Corporations" prescribed by the City's Finance Director in his Memorandum dated October 28, 2013, a copy of which Memorandum is attached as Exhibit "E." In addition, the Corporation shall comply with its Bylaws, specifically including Sections 6.04 ("Assistance to City's Director of Finance"), 6.05 ("Audits"), and 7.05 ("Access to Books and Records").

Section 12.02. Maintenance and Preservation of Records and Things. As mandated by Section 7.04 of its Bylaws, the Corporation shall maintain books and records as required by Section 3.151 of the Texas Business Organizations Code, together with such additional records, documents, and physical things reasonably expected of a well-managed, fully accredited forensic science center. In addition, the Corporation will preserve all tangible and intangible things within the scope of this Section 12.02 for a minimum of seven years after the expiration or termination of this Agreement.

Section 12.03. Compliance with Texas Code of Criminal Procedure. The Corporation will take all actions necessary to ensure compliance with applicable provisions of the Texas Code of Criminal Procedure, specifically including applicable provisions of Article 38.43 of the said Code ("Evidence Containing Biological Material").

ARTICLE 13. ADDITIONAL GOODS AND SERVICES.

Section 13.01. IT Services. To facilitate an orderly transition of the Forensic Operations, until the earlier of notice from the Corporation or the expiration or termination of this Agreement, the City shall provide the Corporation with telephone services, together with information technology and network support services (including, but not limited to, access to the City Intranet, the HPD Intranet, network/remote access server, authentication server, and email servers) (collectively, "IT Services") on the same basis as such services were provided to HPD in the ordinary course of business sixty days before the Mayor's Signature Date, *provided that* the City may make such adjustments to the IT Services as necessary to comply with any state or federal law or with any written policy or procedure of HPD or the City in general in effect at least 120 days before the Mayor's Signature Date. **The Corporation commits to obtaining IT Services from a private vendor as promptly as possible in light of operational circumstances and financial constraints.**

Section 13.02. Access to AFIS. At no cost to the Corporation, the City will provide the Corporation with access to the Automated Fingerprint Information System ("AFIS") as necessary for the operation of an independent forensic science center as contemplated by the aforementioned Resolution No. 2012-17, including but not limited

to performance of the Forensic Operations.

Section 13.03. Additional Agreements. To assist the Corporation in the transition of responsibility for and control of the Forensic Operations from HPD to the Corporation, the City may provide the Corporation with goods and services not specifically addressed elsewhere in this Agreement, *provided that* the terms by which the City provides the goods and services are commercially reasonable and memorialized in a writing duly executed by both Parties. This Section 13.03 specifically contemplates an agreement by which the City's Office of the Inspector General may investigate allegations of misconduct by a New Hire and on the basis of such investigations make non-binding recommendations to the Executive Director.

ARTICLE 14. LEGAL REPRESENTATION; INDEMNIFICATION; INSURANCE

Section 14.01. "Covered Person." The City agrees that the Corporation and each New Hire is a "covered person" within the meaning of Chapter 2, Art. X, of the City's Code of Ordinances.

Section 14.02. Insurance. For the purpose of reducing financial risk to the City, the Corporation agrees to use its best good-faith efforts to obtain at reasonable cost, not later than the Completion Date, policies of insurance providing coverage for the activities of the Corporation at levels generally accepted by well-informed insurance professionals as prudent for businesses of a similar size and nature.

ARTICLE 15. FORCE MAJEURE.

Neither Party shall be liable for an inability to perform, or a delay in the performance of, an obligation under this Agreement (other than the payment of money) *if and only to the extent that* such nonperformance or delay is caused by Force Majeure, so long as the Party claiming Force Majeure is exercising all reasonable diligence to terminate the Force Majeure or its effects on the performance of this Agreement. A Party claiming Force Majeure as an excuse for nonperformance or delay under this Agreement shall provide the other Party with prompt notice of the first Party's invocation of this Article 15 and of the first Party's best good-faith estimate of when the Force Majeure will terminate. Force Majeure shall be deemed terminated with respect to a particular nonperformance or delay when its effects on such future performance have been substantially eliminated. If both Parties reasonably conclude that the Force Majeure will not terminate, or if in fact the Force Majeure does not terminate, until at least 180 days after receipt of the notice to which this Article 15 refers, the Party not claiming Force Majeure may terminate this Agreement by notice to the other Party.

ARTICLE 16. DEFAULTS AND REMEDIES.

Section 16.01. Default by Corporation. The occurrence of any of the events described in this Section 16.01 and the expiration of the applicable cure period without such event being cured shall constitute a "Corporation Default."

(a) The Corporation's breach of any covenant, condition, warranty, or other term of this Agreement, which breach is not cured within 60 days from the date of written notice from the City, *provided, however*, that if such default is not capable of being cured within such 60-day period, the Corporation shall have a reasonable period (not to exceed an additional 120 days) to complete such cure, as long as the Corporation promptly undertakes action to cure such default within such 60-day period and thereafter diligently prosecutes the same to completion.

(b) The dissolution or liquidation of the Corporation or the filing by the Corporation of a voluntary petition in bankruptcy; the failure by the Corporation promptly to remove any execution, garnishment, or attachment of such consequence as will impair materially its ability to carry on the Forensic Operations; the issuance of an order or decree by any court of competent jurisdiction providing for the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Corporation or any substantial part of the Corporation's property or ordering the winding up or liquidation of the Corporation's affairs; a general assignment by the Corporation for the benefit of its creditors; or the approval by a court of competent jurisdiction of a petition applicable to the Corporation in any proceeding for its reorganization instituted under the provisions of Title 11, United States Code, or under any similar act in any domestic or foreign jurisdiction.

Section 16.02. City's Remedies. In the event of any Corporation Default, the City shall have the following rights and remedies, together with any other rights or remedies to which it may be entitled at law or in equity:

(a) Upon notice to the Corporation, the City may terminate this Agreement effective not less than 90 nor more than 180 days after the date of the Corporation's receipt of such notice.

(b) The City may sue for injunctive relief as necessary to enforce the performance or observance of any material obligation, agreement, or covenant of

the Corporation arising from this Agreement.

Section 16.03. Default by City. The City's breach of any covenant, condition, warranty, or other term of this Agreement, which breach is not cured within 60 days from the date of written notice from the Corporation, shall constitute a "City Default," *provided, however,* that if such default is not capable of being cured within such 60-day period, the City shall have a reasonable period (not to exceed an additional 120 days) to complete such cure, as long as the City promptly undertakes action to cure such default within such 60-day period and thereafter diligently prosecutes the same to completion.

Section 16.04. Corporation's Remedy. In the event of any City Default, but only with prior written notice to the City, the Corporation may terminate this Agreement effective not less than 90 nor more than 180 days after the date of the City's receipt of such notice.

Section 16.05. Non-Waiver. Every provision hereof imposing an obligation upon the Corporation or the City is a material inducement and consideration for the execution of this Agreement by the Corporation and the City. No waiver by the Corporation or by the City of a breach of any provision of this Agreement shall be deemed a waiver of a breach of any other provision hereof or of any continuing or subsequent breach of the same provision.

Section 16.06. Limitation of Liability. Nothing contained in this Agreement is intended to waive, nor shall be construed as waiving, any Party's statutory limitation of liability for actual damages provided by law.

ARTICLE 17. GENERAL PROVISIONS.

Section 17.01. No Third-Party Beneficiaries. The Parties agree that only the Parties to this Agreement are intended to benefit from, or to have any right to enforce, this Agreement. The Parties intend that no entity or person (specifically including each employee and former employee of the City or of the Corporation) will ever be deemed a third-party beneficiary of this Agreement. Without limiting the scope of the preceding two sentences, the Parties declare that reliance on Article 6 or Article 7 of this Agreement by an employee of the City or of the Corporation will be unreasonable, *per se*.

Section 17.02. Severability. If any provision of this Agreement is held to be unlawful, invalid, or unenforceable under any present or future laws, such provision shall be fully severable, and this Agreement then will be construed and enforced as if

such unlawful, invalid, or unenforceable provision had not been a part hereof. The remaining provisions of the Agreement shall remain in full force and effect and shall not be affected by such unlawful, invalid, or unenforceable provision or by its severance from this Agreement.

Section 17.03. Venue; Choice of Law. Harris County, Texas, shall be the proper place of venue for litigation related to this Agreement. Any legal proceeding in respect of this Agreement shall be brought in the state district courts of Harris County, Texas, or in the United States District Court for the Southern District of Texas, Houston Division. Each of the Parties hereby irrevocably submits to the nonexclusive jurisdiction of the state and federal courts of the State of Texas. This Agreement shall be subject to and construed and enforced in accordance with the internal laws of the State of Texas, without giving effect to any conflict of laws principles.

Section 17.04. Further Assurances. Each of the Parties, at all times and from time to time hereafter, and upon reasonable written request to do so, shall make, do, execute, deliver, or cause to be made, done, executed and delivered, all such further acts, deeds, instruments, assurances, and things as may be required to satisfy the obligations of this Agreement, specifically including the obligations created by Article 3. The Mayor is hereby authorized to execute, deliver, or cause to be made, done, executed or delivered all of the foregoing on behalf of the City.

Section 17.05. Entire Agreement; Amendments. This Agreement constitutes the entire agreement between the Parties regarding the subject matter hereof. This Agreement may not be amended except by a written instrument duly authorized and executed by the City and the Corporation. **Notwithstanding anything to the contrary in this Agreement, the Parties specifically acknowledge their willingness to negotiate an amendment of this Agreement in the event the Corporation's Certificate of Formation is amended to add one or more governmental entities, including but not limited to Harris County, Texas, as a joint sponsor of the Corporation.**

ARTICLE 18. NOTICE.

Whenever any notice, consent, or approval (collectively, a "Notice") is required or permitted under this Agreement, the Notice shall be in writing and shall be deemed to be delivered five days after being deposited in the United States mail, postage prepaid, Certified Mail, Return Receipt Requested, or, if delivery is by courier, upon actual receipt by the Party to whom the Notice is being given. In either case the Notice shall be addressed to the Party at its address as set forth below, or at such other address as the Party has provided to the other Party in writing at least ten days earlier, in accordance with this Article 18.

If Notice is to the City:

Mayor
City of Houston
901 Bagby
Houston, Texas 77002

With a copy to:

City of Houston Legal Department
900 Bagby, 4th Floor
Houston, Texas 77002
Attention: City Attorney

If Notice is to the Corporation:

Houston Forensic Science LGC, Inc.
1200 Travis St., 20th Floor
Houston, Texas 77002
Attention: Executive Director

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EXECUTED in multiple counterpart originals as of the dates set forth below.

ATTEST:

CITY:

CITY OF HOUSTON, TEXAS

By: _____

Anna Russell
City Secretary

By: _____

Annise Parker
Mayor

Date of Mayor's Signature:

COUNTERSIGNED:

By: _____

Ronald Green
City Controller

Date of Controller's Countersignature:

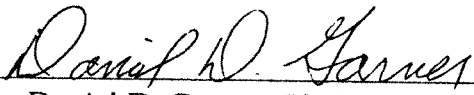
APPROVED AS TO FORM:

By:  _____

David M. Feldman
City Attorney
City of Houston

CORPORATION:

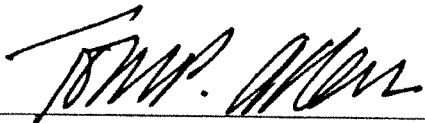
HOUSTON FORENSIC SCIENCE LGC, INC.

By: 
Daniel D. Garner, Ph.D.
President and Chief Executive Officer

Date of Dr. Garner's Signature:

2-18-14

APPROVED AS TO FORM:

By: 
Tom P. Allen
Attorney for Corporation

Exhibits to this Agreement

- | | |
|-----------|--|
| Exhibit A | List of Civilians and vacant positions |
| Exhibit B | List of Classifieds and vacant positions |
| Exhibit C | Description of Leasehold |
| Exhibit D | List of Provisional Assets |
| Exhibit E | Memorandum from City's Finance Director dated October 28, 2013
("Accounting Procedures and Standards for Local Government
Corporations") |

[END]

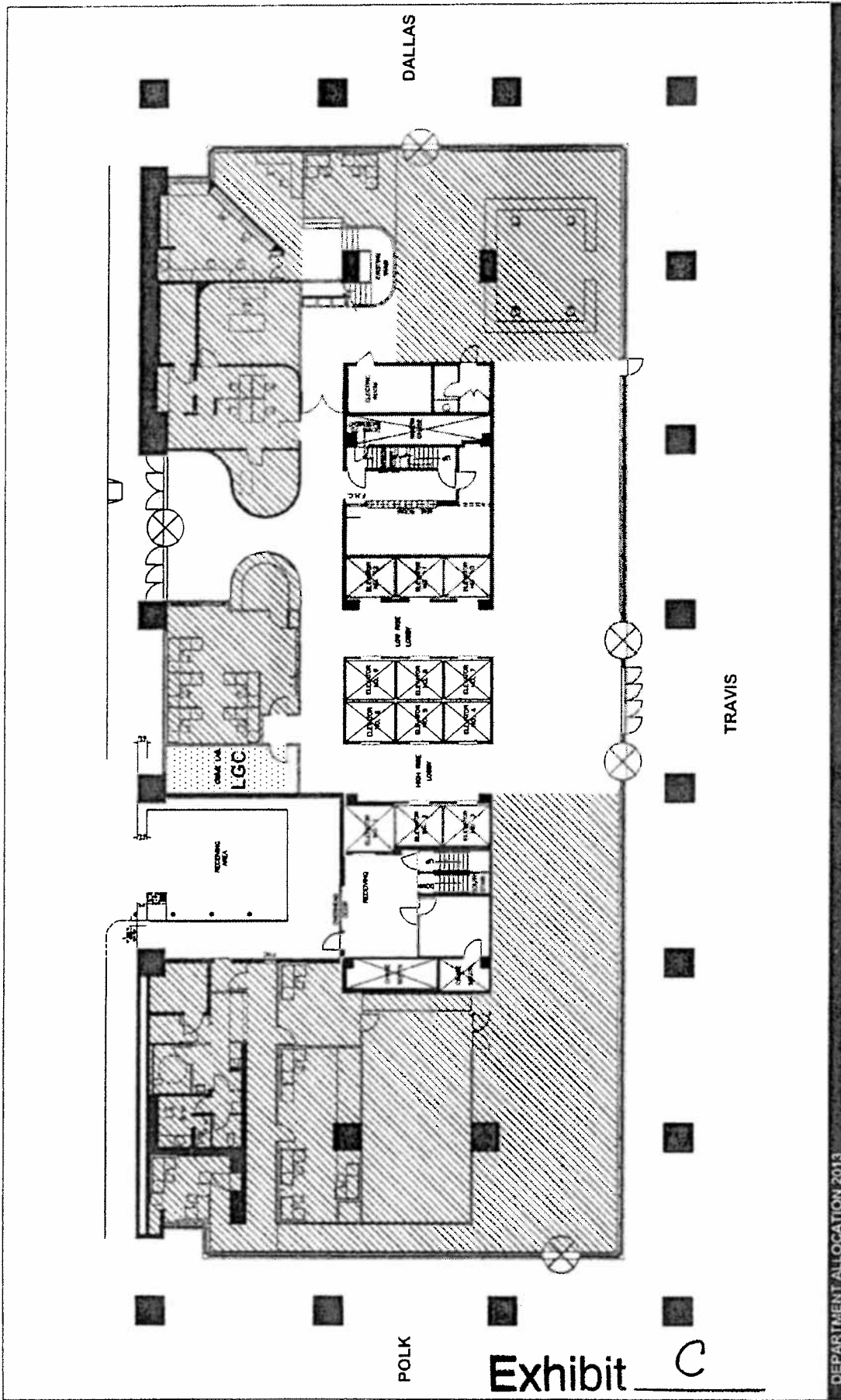
Employee No	First Name	Last Name	Classification
1	122886	IRMA RIOS	ASSISTANT DIRECTOR (EXECUTIVE LEVEL)
2	132104	WILLIAM ARNOLD	POLICE ADMINISTRATOR (EXECUTIVE LEVEL)
3	136530	ROBIN GUIDRY	POLICE ADMINISTRATOR (EXECUTIVE LEVEL)
4	106957	DARRELL STEIN	CRIMINALIST LABORATORY MANAGER
5	93452	JAMES MILLER	CRIMINALIST LABORATORY MANAGER
6	132281	LORI WILSON	CRIMINALIST LABORATORY MANAGER
7	139144	COURTNEY HEAD	CRIMINALIST SPECIALIST
8	105314	KIM DOWNS	CRIMINALIST SPECIALIST
9	106498	TERESA CLARK	SENIOR CONTRACT ADMINISTRATOR
10	139273	AMY CASTILLO	CRIMINALIST SPECIALIST
11	120222	DONNA EUDALEY	CRIMINALIST SPECIALIST
12	127263	AHTAVEA BARKER	CRIMINALIST SPECIALIST
13	113012	ROSAURA RODRIGUEZ	CRIMINALIST SPECIALIST
14	89708	CLEVA WEST	CRIMINALIST SPECIALIST
15	105991	RAY ENGELHARDT	ADMINISTRATIVE SPECIALIST
16	138415	HECTOR SUSTAITA	SENIOR MICROCOMPUTER ANALYST
17	150913	JESSICA AYALA	CRIMINALIST SPECIALIST
18	150912	MONICA BRADY MELLON	CRIMINALIST SPECIALIST
19	136431	DIANA DONLEY	CRIMINALIST
20	132600	JACKELINE MORAL	CRIMINALIST
21	139912	SHAMIKA KELLEY	CRIMINALIST
22	150137	LLOYD HALSELL III	CRIMINALIST
23	126309	AMANDA PHILLIPS	CRIMINALIST
24	134860	BRITTANY THOMAS	CRIMINALIST
25	129764	KAREN GINCOO	CRIMINALIST
26	136263	KIMBERLY ZELLER	CRIMINALIST
27	125253	CLAY DAVIS	CRIMINALIST
28	128264	PRISCILLA HILL	CRIMINALIST
29	102193	KARI HOFFMAN	CRIMINALIST
30	113315	JULI REHFUSS	CRIMINALIST
31	140726	LAURA MAYOR	CRIMINALIST
32	127094	MONA COLCA	CRIMINALIST
33	123898	JENNIFER CLAY	CRIMINALIST
34	134264	ANGELICA NOYOLA	CRIMINALIST
35	137105	CHRISTINE KONECNY	CRIMINALIST
36	137525	CHANDLER BASSETT	CRIMINALIST
37	137906	MARIAM KANE	CRIMINALIST
38	139392	REBECCA GONZALES	CRIMINALIST
39	141145	ZORAYA REYES	CRIMINALIST
40	150329	JESSICA POWERS	CRIMINALIST
41	150421	MARY SYMONDS	CRIMINALIST
42	151448	PETER LENTZ	CRIMINALIST
43	151453	ELIZABETH RICHEY	CRIMINALIST
44	150921	TANUJA SATHIRAJ	CRIMINALIST
45	150922	JENNIFER BOURGEOIS	CRIMINALIST
46	141055	HANGNGA NGUYEN	CRIMINALIST
47	141056	LISSET SALAZAR	CRIMINALIST
48	141057	KERRY TODD	CRIMINALIST
49	141058	INDIA HENRY	CRIMINALIST
50	141059	MICHAEL DAVIS	CRIMINALIST
51	141060	KRISTINA BLACKMON	CRIMINALIST
52	141061	MARIA RUMBLE	CRIMINALIST
53	141062	BENJAMIN CAMBRIDGE	CRIMINALIST

Employee No	First Name	Last Name	Classification
54	141279	DWAN WILSON	CRIMINALIST
55	150032	KATHERINE FOSTER	CRIMINALIST
56	150046	BAO TRAN NGUYEN	CRIMINALIST
57	150136	BELINDA SALINAS	CRIMINALIST
58	150544	CLORESSA KELLY	CRIMINALIST
59	150997	JISEL BAILON	CRIMINALIST
60	151004	RYAN HOOKANO	CRIMINALIST
61	152700	KATHERINE MORGAN	CRIMINALIST
62	152745	MARY MIZE	CRIMINALIST
63	153056	ASHLEY JOHNSON	CRIMINALIST
64	137526	VANESSA ALVAREZ	CRIMINALIST
65	150683	ANDREA GOODEN	CRIMINALIST
66	150918	MICHAEL SALAZAR	CRIMINALIST
67	151455	DAVID HUANG	CRIMINALIST
68	152612	BROOK KNAPP	CRIMINALIST
69	152704	KASI KIRKSEY	CRIMINALIST
70	152739	PATRICK TYNAN	CRIMINALIST
71	152858	JOHN BADEAUX	CRIMINALIST
72	153012	ALAINA ANDERSON	CRIMINALIST
73	153185	KAITLYN BONGIORNO	CRIMINALIST
74	153719	LUCY TEA	CRIMINALIST
75	137403	DARIUS FRANKLIN	SENIOR EVIDENCE TECHNICIAN
76	135623	RITA SANCHEZ	EVIDENCE TECHNICIAN
77	135056	SHERYL MOORE	EVIDENCE TECHNICIAN
78	106585	CAROL FERGUSON	DATA ENTRY OPERATOR
79	115841	ELIZABETH FLORES	SENIOR DATA ENTRY OPERATOR
80	128419	DEMETRIA GUAJARDO	CUSTOMER SERVICE CLERK
81	88288	CHERYL HURTS	FINGERPRINT TECHNICIAN SUPERVISOR
82	106380	DORA LINSOMB	SENIOR DATA ENTRY OPERATOR
83	131059	BETINA LOPEZ	SENIOR OFFICE ASSISTANT
84	81100	BRENDA MITCHELL	CUSTOMER SERVICE CLERK
85	151669	DANIELLE WILLIAMSON	CUSTOMER SERVICE CLERK
86		VACANCY	CRIMINALIST
87		VACANCY	CRIMINALIST
88		VACANCY	CRIMINALIST
89		VACANCY	MANAGER
90		VACANCY	MANAGER
91		VACANCY	EVIDENCE TECHNICIAN

NAME	Rank/Title	EMPL #
AGUILERA, Ernest P.	Senior Police Officer	107637
BARR, Andrew W.	Police Officer	129507
BORGSTEDTE, Janet L.	Sergeant	107856
BOSTAIN, Michael O.	Sergeant	107822
BUTLER, John D.	Police Officer	136355
CROSBY, Cassandra S.	Police Officer	130802
DUERER, James N.	Senior Police Officer	101695
DUNCAN, Christopher D.	Senior Police Officer	99223
ERTONS, Douglas	Senior Police Officer	101032
GABURA, Gino	Sergeant	106141
GALINDO, Justin C.	Police Officer	133460
HALLIMORE, David J.	Sergeant	106991
HAMMERLE, Jay S.	Senior Police Officer	88543
HOLMES, Alton L.	Police Officer	130261
HOOPER, Derek L.	Sergeant	87580
HUFF, Kelley M.	Police Officer	130794
JONES, LaFonda Y.	Police Officer	108080
KING, Adrienne	Police Officer	137312
LACOURT, Edwin G.	Sergeant	102056
LANGFORD, Sheridan R.	Senior Police Officer	113953
LEZAK, MATTHEW	Senior Police Officer	109126
McDERMOTT, Barry J.	Lieutenant	79653
MENEFEE, Svetlana	Police Officer	138617
MILLER, Joel C.	Police Officer	137732
MILLER, Kirk A.	Senior Police Officer	112922
NETTLES, Christopher L.	Lieutenant	121507
NIELSEN, Joshua M.	Police Officer	133490
OLIPHANT, Jason O.	Senior Police Officer	104523
PALATINO, April	Police Officer	120476
PEMBERTON, Rhonda	Senior Police Officer	111667
PEOPLES, Jamie E.	Police Officer	139303
PEREZ, Michael	Senior Police Officer	106169
POWERS, Gary L.	Senior Police Officer	86547
RANDALL, Rodney W.	Police Officer	119701
READ, Jennifer A.	Sergeant	126930
RODRIGUEZ, Juan Jr.	Lieutenant	84259
ROWE, Walter C.	Lieutenant	81561
RULAND, Norman T.	Sergeant	97029
SACHS, Adam M.	Police Officer	121521
SMITH, Denise	Sergeant	106993
STERLING, Duane E.	Senior Police Officer	109629
TARAVELLA, Andrew D.	Senior Police Officer	99261
TESFAY, Bruk T.	Police Officer	129168
VERBITSKEY, Lorenzo R.	Senior Police Officer	84823
WALKER, Ronald D.	Lieutenant	83745
WATKINS, David E.	Captain	56169
WATSON-EVANS, Jeffrey	Senior Police Officer	112923
WILSON, Mark R.	Police Officer	132416
VACANCY	Lieutenant	
VACANCY	Senior Police Officer	
VACANCY--effective 2.15.	Police Officer	

Exhibit B

NAME	Rank/Title	EMPL #
VACANCY--effective 2.21.	Police Officer	
VACANCY--effective 3.5.1	Senior Police Officer	



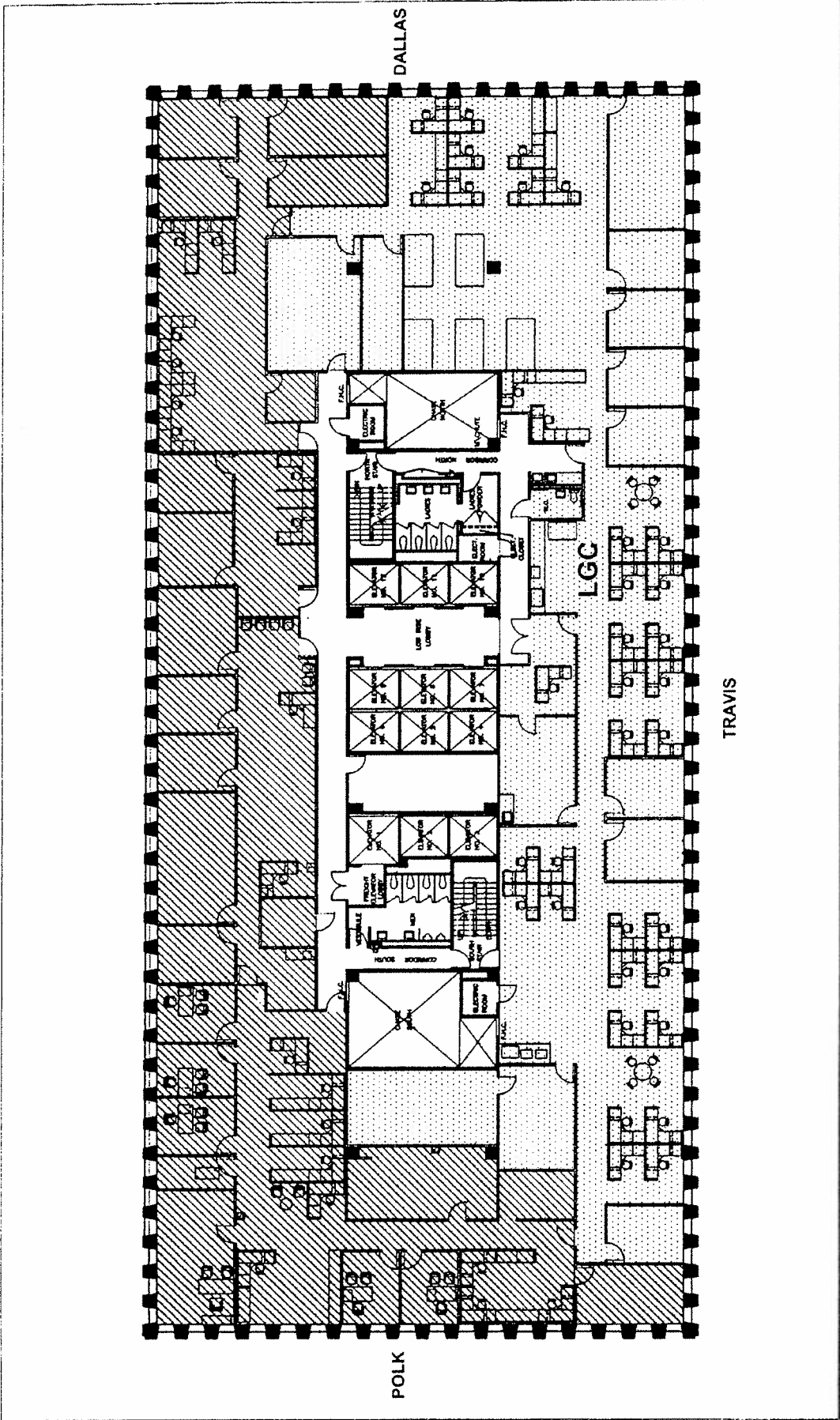
HPD Police Headquarters
1200 Travis
 1ST FLOOR




DEPARTMENT ALLOCATION 2013


DIVISION	USABLE	COMMON SPACE	TOTAL AREA	DIVISION	USABLE	COMMON SPACE	TOTAL AREA
PUBLIC AFFAIRS	2,578		2,578	CORE			
RECORDS	2,239		2,239				
COMMAND CTR	1,506		1,506				
CRIME LAB, LGC	204		204				
TRAINING	2,160		2,160				
					5,657	5,179	8,987

Exhibit C





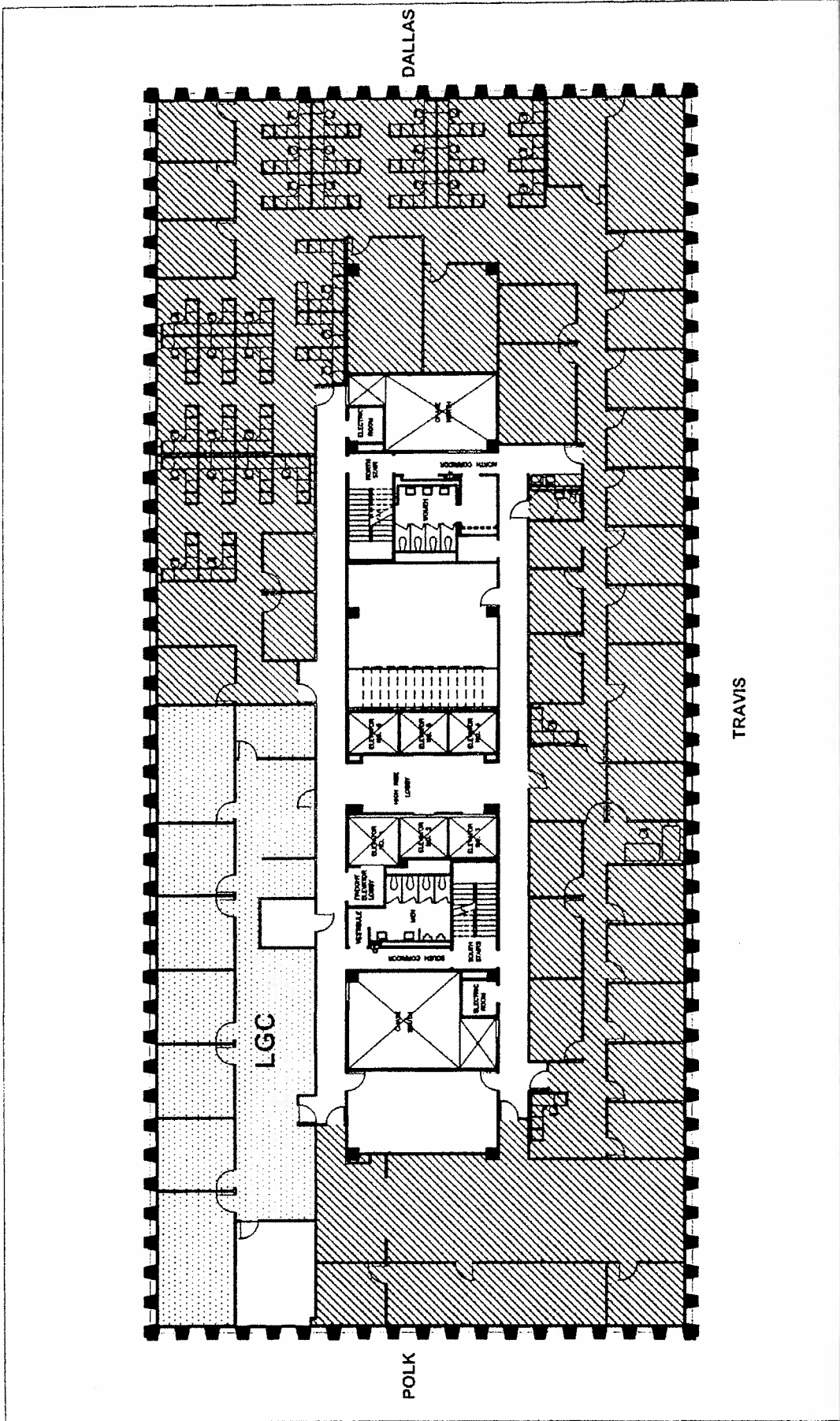
HPD Police Headquarters
1200 Travis
10TH FLOOR



N

DIVISION	USABLE	COMMON SPACE	TOTAL AREA
LGC	7,890		7,890
OTHER	7,441		7,441
CORE		4,119	4,119
	15,321	4,119	19,440

DEPARTMENT ALLOCATION 2013



DALLAS

POLK

TRAVIS

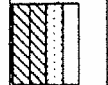


HPD Police Headquarters
1200 Travis
20TH FLOOR



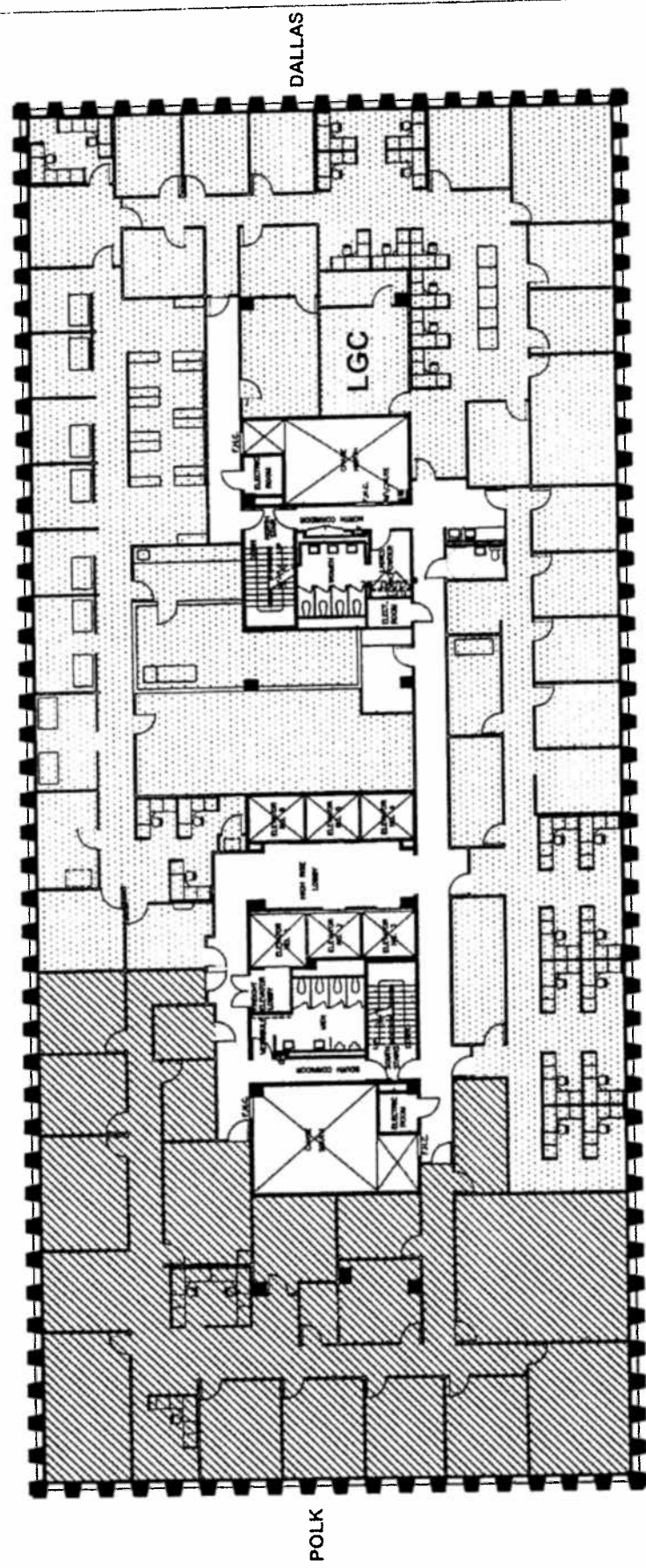
DEPARTMENT ALLOCATION 2013

DIVISION	USABLE	COMMON SPACE	TOTAL AREA
IND	9,658	1,945	
CREDIT UNION	1,945	2,981	
LGC			5,346
CORE			
	14,134		5,346



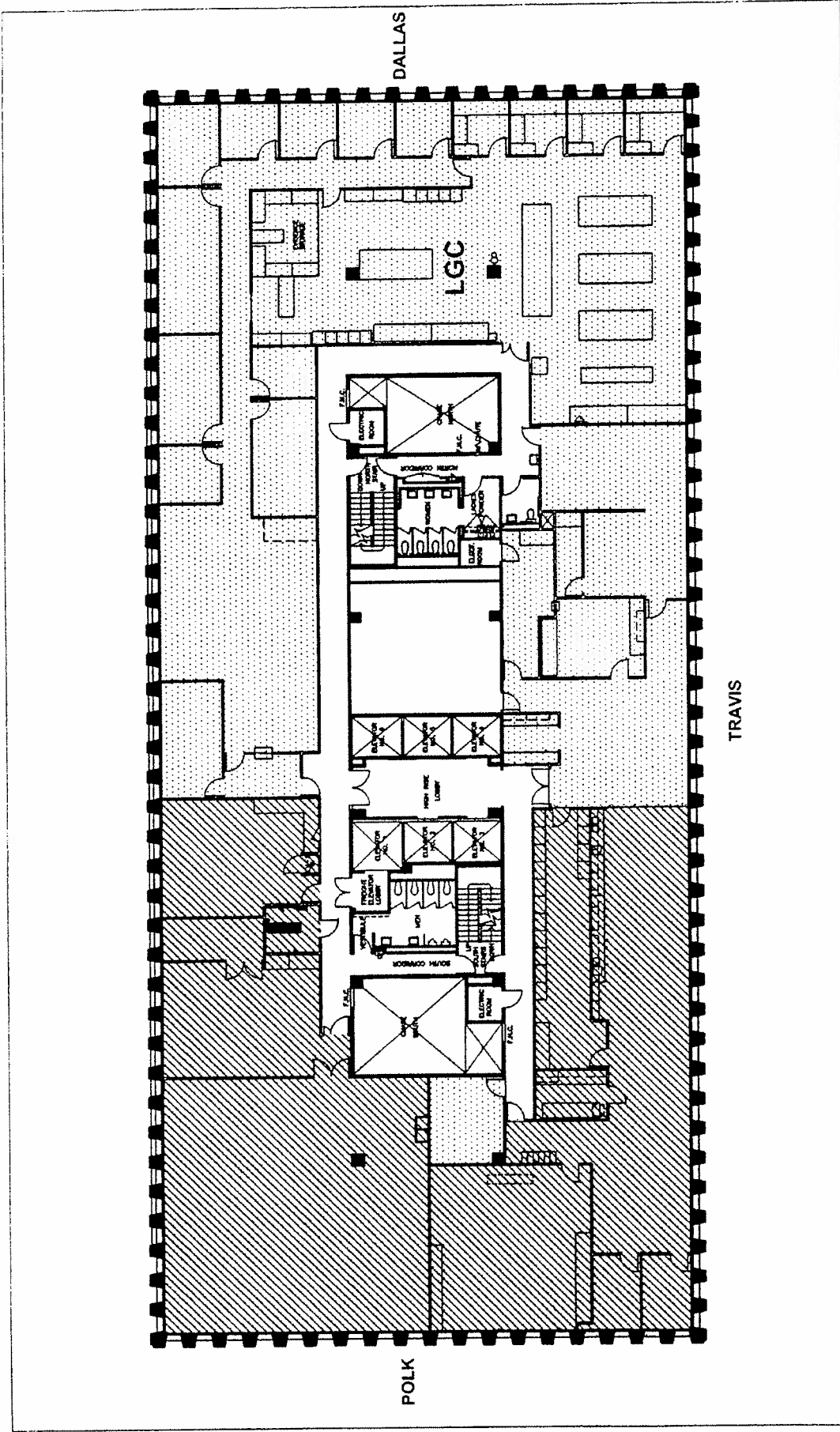


HPD Police Headquarters
1200 Travis
24TH FLOOR



DEPARTMENT ALLOCATION 2013

DIVISION	USABLE	COMMON SPACE	TOTAL AREA
CRIME LAB/LGC	7,745	7,745	7,745
ADR	5,222	5,222	5,222
CSU/LGC	2,857	2,857	2,857
CORE		3,916	3,916
	15,824	3,916	15,824



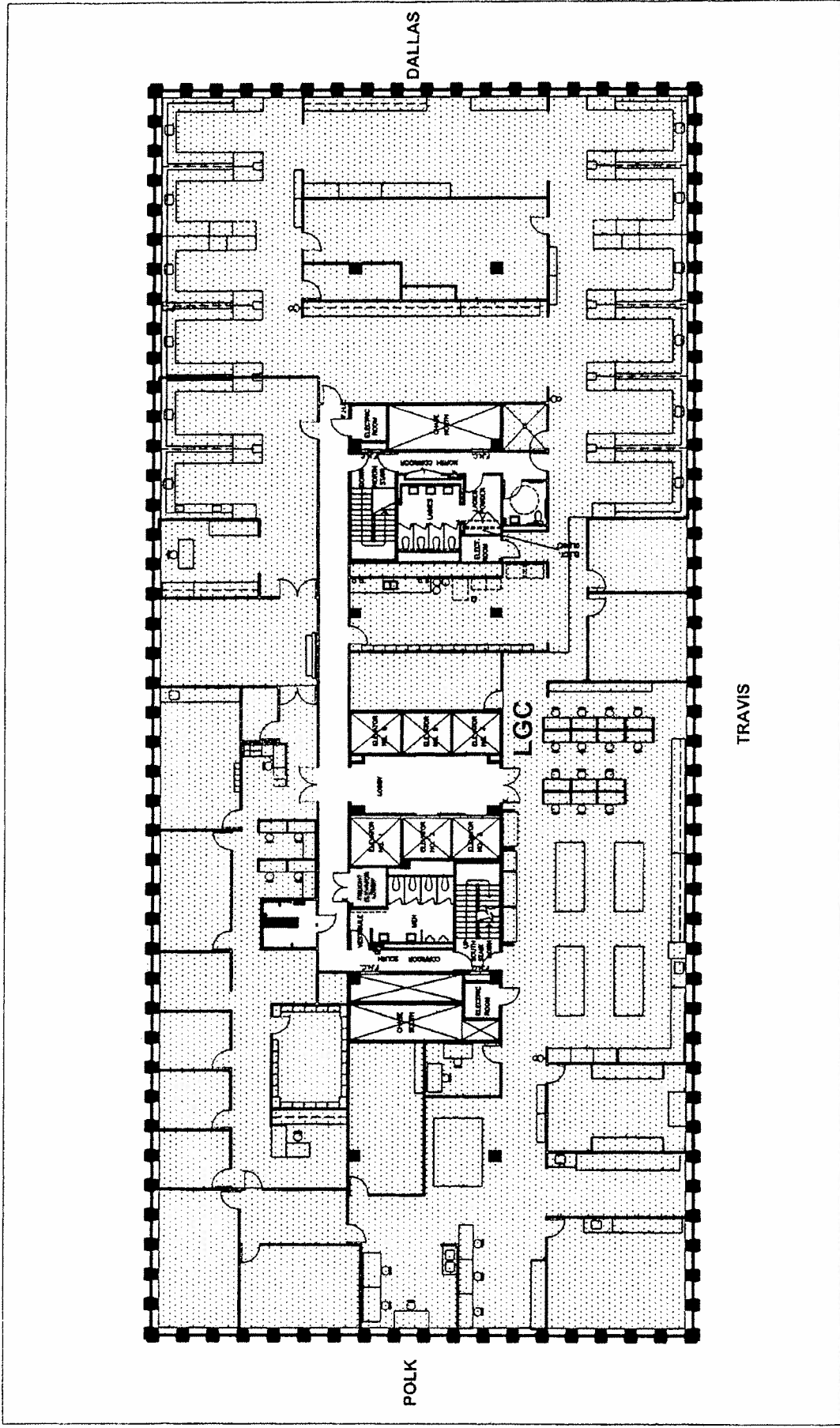
DEPARTMENT ALLOCATION 2013



HPD Police Headquarters
1200 Travis
25TH FLOOR



DIVISION	USABLE	COMMON SPACE	TOTAL AREA
OTHER	6,408		6,408
LATENT LAB, AUDIO LAB, VIDEO LAB, LGC	8,340	4,792	8,340
CORE			
	14,748	4,792	14,748



DEPARTMENT ALLOCATION 2013



HPD Police Headquarters
1200 Travis
26TH FLOOR



TRAVIS

DIVISION	USABLE	COMMON SPACE	TOTAL AREA
CRIME LAB ADMIN.GC	2,473		2,473
CRIME LAB DNA.GC	6,630		6,630
CRIME LAB CONTROLLED SUBSTANCES.GC	5,952		5,952
CRIME LAB TOXICOLOGY.GC	1,460	3,025	4,485
CORE			
	16,515	3,025	19,540

**Exhibit D
Provisional Assets**

Inventory No.	Year	Asset	Description	Serial No. / VIN	Marked
29085	1998	CHEVROLET	ASTRO	1GNDM19W3WB195003	
29087	1998	CHEVROLET	ASTRO	1GNDM19W0WB191619	
30698	2000	FORD	EXPEDITION	1FMRU1564YLB47619	Y
31115	2000	DODGE	RAM	2B7LB31Z1YK148383	Y
34043	2004	CHEVROLET	IMPALA	2G1WF52E949410315	
39359	2009	CHEVROLET	IMPALA	2G1WB57K191290056	
39408	2009	CHEVROLET	IMPALA	2G1WB57K291290180	
39447	2009	CHEVROLET	IMPALA	2G1WB57KX91292940	
40310	2010	CHEVROLET	IMPALA	2G1WA5EK7A1167016	
40392	2010	CHEVROLET	SUBURBAN	1GNZCLEGXAR142995	Y
40393	2010	CHEVROLET	SUBURBAN	1GNZCLEG2AR143042	Y
40394	2010	CHEVROLET	SUBURBAN	1GNZCLEGOAR142603	Y
40425	2010	CHEVROLET	IMPALA	2G1WA5EK0A1168749	
40471	2010	CHEVROLET	IMPALA	2G1WA5EK7A1169722	
41807	2011	CHEVROLET	SUBURBAN	1GNWC5EG8BR367920	Y
41808	2011	CHEVROLET	SUBURBAN	1GNWC5EG3BR368084	Y
41809	2011	CHEVROLET	SUBURBAN	1GNWC5EG1BR368150	Y
41834	2011	TOYOTA	COROLLA	2T1BU4EE5BC638391	
42253	2012	CHEVROLET	SUBURBAN	1GNWC5EG7CR282245	Y
42654	2013	FORD	E250	1FTNS2EL2DDA65025	Y
34001	2004	CHEVROLET	SEDAN	2G1WF52E749410877	
34002	2004	CHEVROLET	SEDAN	2G1WF52E749410023	
24998	1995	CHEVROLET	3/4 TON PICKUP	1GCFC24H0SZ256991	
36872	2007	DODGE	CHARGER	2B3KA43G37H822661	
40351	2009	CHEVROLET	SEDAN	2G1WA5EK5A1168682	
40388	2010	CHEVROLET	SEDAN	2G1WA5EK7A1169381	
	2014	FARO-CSU	3D Scanner	In Procurement	
	2014	FARO-CSU	3D Scanner	In Procurement	

Exhibit D

MEMORANDUM

TO: Tom P. Allen
First Assistant City Attorney & Acting Counsel for Houston Forensic Science LGC, Inc.

FROM: Kelly Dowe
Director, Finance Department

DATE: October 28, 2013

RE: Accounting Procedures and Standards for Local Government Corporations

As authorized by Paragraphs 5.4.1 and 5.4.2 of City of Houston Executive Order No. 1-29 ("E.O. No. 1-29"), this Memorandum prescribes accounting procedures and standards for a local government corporation ("LGC" or "Corporation") created by and receiving funds from the City.

Absent an exception approved in writing by the Director of Finance, the Board of Directors of the LGC must take the following actions as soon as reasonable after the LGC's incorporation:

1. Designate a qualified "Finance Officer" responsible for establishing the LGC's accounting system, controlling expenditures, managing cash and other assets, and preparing financial statements and budgets. The said officer may be, but is not required to be, the Treasurer or other officer of the Corporation. The officer may be an employee of the LGC or of the City, or he may be an independent contractor.
2. Establish and maintain fiscal operations consistent with Generally Accepted Accounting Principles (GAAP) and policies governing budgeting, debt financing (if applicable), and financial reporting.
3. Establish and maintain resources and procedures necessary to ensure the LGC's compliance with Sections 3.151, 22.352, and 22.353, Texas Business Organizations Code, as well as Paragraphs 5.3.2.4 and 5.3.2.5 of E.O. No. 1-29.
4. Establish and maintain the following accounting records or their computerized equivalents:
 - Uniform chart of accounts
 - Controlled numbered official receipts
 - Controlled numbered official checks
 - Detailed receipt journal
 - Detailed disbursement journal
 - General ledger
5. Establish and maintain resources and procedures so that the LGC's financial operations are amenable to (a) audit in accordance with GAAP and with Governmental Auditing Standards (GAS) and (b) inclusion in the City's Comprehensive Annual Financial Report (CAFR).
6. Establish and maintain procedures so that all books, ledgers, journals, accounts, and other financial records of the LGC are maintained in their original forms or computerized equivalents for a minimum of five years after each record's creation.
7. No later than March 1 of each year, the Corporation shall submit to the City's Finance Director a draft budget approved by the Board for the Corporation for the fiscal year commencing on July 1.
8. The Corporation shall submit monthly financial statements to the City's Finance Director or his/her designee no later than 45 days of the end of the period.

Solo Page

Exhibit E