

HOUSTON FORENSIC SCIENCE LGC, INC.

MEETING OF BOARD OF DIRECTORS MINUTES

October 10, 2012

The undersigned, being the duly appointed Acting Secretary of Houston Forensic Science LGC, Inc. (the "Corporation"), hereby certifies that the following are true and correct minutes of the October 10, 2012, meeting of the Board of Directors (the "Board") of the Corporation.

A. In a manner permitted by the Corporation's Bylaws, the meeting was called by providing all Directors with notice of the date, time, place, and purposes of the meeting more than three days before the date of the meeting.

B. In accordance with Chapter 551, Texas Government Code, which Chapter is made applicable to the Corporation by Section 431.004, Texas Transportation Code, a notice of the meeting was duly filed on October 5, 2012, in the same manner and location as required by law of the City of Houston, Texas (the "City").

C. The meeting was called to order by Scott Hochberg, Chairman of the Board, at 9:00 a.m. on Wednesday, October 10, 2012, in the Council Annex Chambers, 900 Bagby St. (Public Level), Houston, Texas 77002.

D. Ms. Bohr called the roll. The following Directors were present:

Scott Hochberg, Nicole B. Cásarez, Enrique V. Barrera, Sandra Guerra Thompson, Marcia Johnson, Hiram A. "Art" Contreras, Catherine Lamboley, and Tom . Allen (ex-officio). Willie E. B. Blackmon joined the meeting at 9:15 a.m.

The following director was absent: Donna Fujimoto Cole.

Mr. Hochberg announced that a quorum of the Directors was present.

E. Mr. Hochberg noted that a draft of the minutes of the Corporation's meeting of September 28, 2012, had been distributed to the Board. Mr. Barrera made a motion to approve the minutes, and it was seconded by Ms. Lamboley. The Motion passed unanimously, and the minutes of the meeting of September 28, 2012, were adopted.

F. Mr. Hochberg announced a schedule conflict with the next Board meeting on October 31, 2012. After discussion, the meeting is rescheduled to Friday, October 26, 2012, if the meeting room is available.

G. Mr. Hochberg asked if any members of the public wished to address the Board. There was no response from the persons present.

H. Mr. Hochberg asked Ms. Cásarez to update the Board regarding the two search firms (Park Square and Coleman Lew). Mr. Contreras made a motion to authorize the Chair to conclude a contract with Coleman Lew under the terms discussed, and it was seconded by Ms. Johnson. The motion passed unanimously on a roll call vote.

I. Mr. Hochberg asked Mr. Allen to update the Board on the status of issues related to finance. A proposed ordinance approving and authorizing Memorandum of Understanding No. 1 between the City and Houston Forensic Science LGC, Inc. has been distributed to the Board. Mr. Hochberg moved that he be given the authority to sign the Memorandum of Understanding No. 1 upon approval by the City. Mr. Barrera seconded the motion. The motion passed unanimously on a roll call vote.

J. Mr. Hochberg asked Ms. Johnson to present the Technical Advisory Group proposal. The working group will start contacting people who would be willing to serve on the TAG team and will come back to the Board with a list of recommendations.

K. Mr. Hochberg introduced Mr. Chris Tritico, President of the Harris County Criminal Lawyers Association. Mr. Troy McKinney, past President, joined him. They discussed how the crime lab can do its work in a way that is beneficial to the judicial process.

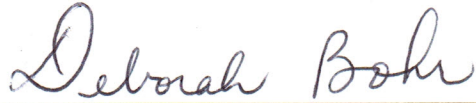
L. Mr. Hochberg asked the Board to consider Draft "G" of a "Resolution Limiting Compensation Received by President of Corporation." Mr. Hochberg made a motion to adopt the resolution, and the motion was seconded by Mr. Contreras. The motion passed unanimously on a roll call vote. (The adopted Resolution is No. 2012-004.)

The meeting ADJOURNED at approximately 10:40 a.m.

ATTACHMENTS INCORPORATED INTO AND MADE A PART OF THESE MINUTES: Memorandum of Understanding No. 1 (§ I above) and Resolution No. 2012-004 (§ L above).

HOUSTON FORENSIC SCIENCE LGC, INC.

By:

A handwritten signature in cursive script that reads "Deborah Bohr". The signature is written in black ink and is positioned above a horizontal line.

Deborah Bohr
Acting Secretary

MEMORANDUM OF UNDERSTANDING NO. 1
Between the City of Houston
and Houston Forensic Science LGC, Inc.

This Memorandum of Understanding ("MOU") is by and between the City of Houston, Texas (the "City") and Houston Forensic Science LGC, Inc.

WHEREAS, Chapter 431, Texas Transportation Code, authorizes creation of a local government corporation to aid and act on behalf of a local government to accomplish any governmental purpose of the local government; and

WHEREAS, on June 6, 2012, the City Council of the City (the "City Council") passed and adopted Resolution No. 2012-17, which Resolution (a) memorialized the City Council's finding that creation of a local government corporation to operate an independent center (the "Houston Forensic Science Center") to provide the City with accurate and timely analysis of forensic evidence and related services will accomplish an important governmental purpose, namely, to enhance the welfare and safety of the public; (b) authorized the creation of Houston Forensic Science LGC, Inc. (the "Corporation"); and (c) approved the form of the Corporation's Certificate of Formation (the "Certificate of Formation"); and

WHEREAS, on June 20, 2012, the City Council passed and adopted Ordinance 2012-589, which Ordinance adopted the City's Budget for Fiscal Year 2013 (the "Budget," a copy of which appears at http://www.houstontx.gov/budget/13budadopt/vol_1.pdf); and

WHEREAS, Budget acknowledges (at Pages III-44 and III-45) the City's goal of "establishing a City of Houston Forensic Science Center" and the proposed "independent Houston Forensics Science Center, LGC"; and

WHEREAS, the Budget includes (at Page VII-2) "funding for the operations of Houston Forensic Science Center of \$5 million" (for the purposes of this MOU only, the "Start-Up Funds"), which funding appears on Page VII-4 of the Budget as Item No. 520145; and

WHEREAS, on June 26, 2012, the Corporation's Certificate of Formation was filed with the Office of the Secretary of State of Texas, which in turn issued a Certificate of Incorporation (File No. 801620684) to the Corporation; and

WHEREAS, on July 3, 2012, the City Council passed and adopted Resolution No. 2012-21, which Resolution approved the Corporation's Bylaws; and

WHEREAS, on August 22, 2012, the Board unanimously approved a pro forma budget (the "Initial Budget," a copy of which is attached to this MOU as Exhibit "A-1") stating the Corporation's budget for the first \$500,000.00 of the Start-Up Funds; and

WHEREAS, on September 12, 2012, the Board adopted its Resolution 2012-003 (the "Banking Resolution," a copy of which is attached to this MOU as Exhibit "A-2") designating Bank of Texas as the depository for the Corporation's funds and prescribing certain procedures to ensure the safety and integrity of the said funds; and

WHEREAS, as a condition precedent to the City's disbursement to the Corporation of the first \$500,000.00 of the Start-Up Funds, the City requires the Corporation's agreement to undertake certain duties, as described below;

NOW, THEREFORE, in consideration of the premises and the mutual covenants, conditions, and promises set forth herein and for other good and valuable consideration, the City and the Corporation AGREE as follows:

1. This MOU is effective on the Countersignature Date entered below and remains in effect for one year unless terminated sooner as provided by this MOU.

2. To comply with Article II, Sections 19 and 19a, of the City's Charter and with Article XI, Section 5, of the Texas Constitution, the City has appropriated and allocated the sum of \$500,000.00 to pay money due under this MOU. The City may pay additional funds to the Corporation under a separate Memorandum of Understanding, but the City is not obligated to do so.

3. All funds disbursed by the City to the Corporation under this MOU will be deposited into the Corporation's account(s) at Bank of Texas.

4. The Corporation will expend the first \$500,000.00 of the Start-Up Funds only for the purposes stated in the Initial Budget and in the manner prescribed by the Banking Resolution.

5. Unless and until the City and the Corporation enter into a separate Memorandum of Understanding, the Corporation will not enter into any agreement or series of agreements with any person or entity requiring the Corporation to expend an aggregate of more than \$500,000.00.

6. Absent a variance approved in writing by the Director of the City's Finance Department (the "Finance Director"), the Corporation will comply with the "Accounting Procedures and Standards for Local Government Corporations" prescribed by the Finance Director on September 27, 2012, a copy of which document is attached to this MOU as Exhibit "A-3."

7. The Corporation will comply with its Bylaws, specifically including Sections 6.04 ("Assistance to City's Director of Finance"), 6.05 ("Audits"), 7.04 ("Required Books and Records"), and 7.05 ("Access to Books and Records").

8. In addition to the duties imposed by ¶ 7 immediately above, the Corporation

will maintain and preserve all books and records of the Corporation for a minimum of five years after the expiration or termination of this MOU.

9. No later than March 15, 2013, the Corporation will submit to the Finance Director a draft budget for the Corporation for the fiscal year commencing on July 1, 2013.

10. If the Corporation breaches any duty imposed on the Corporation by this MOU, the Corporation will tender written notice of the said breach to the Finance Director within one business day after the breach comes to the attention of any officer or director of the Corporation.

11. The Finance Director may terminate this MOU at any time for any reason by giving thirty days' notice to the Corporation in a writing delivered to the Chairman of the Corporation's Board of Directors. The City's right to terminate this MOU for convenience is cumulative of all rights and remedies that exist now or in the future.

[Signature Page Follows]

EXECUTED in multiple counterparts, each having force and effect equal to an original.

HOUSTON FORENSIC SCIENCE LGC, INC.

By: _____
Scott Hochberg, Chairman
Board of Directors

Date Signed: _____

CITY OF HOUSTON

By: _____
Annise D. Parker, Mayor

Date Signed: _____

Attest: _____
Anna Russell, City Secretary

Countersigned: _____
Ronald C. Green, City Controller

Date Signed: _____

Approved as to Form:

Tom P. Allen
First Assistant City Attorney

LD File No. 0421100101001

Draft

Forensic Science Center, LGC

Initial Funding Request of \$500,000

from the \$5million City General Funds designated for FSC, LGC

	A	B	C
1	Fees Start Up LGC	\$50,000	State Filings, Admin Asst., Bookkeeper, Legal Fees, Office Supplies,
2			City Attorney Office Reimbursement of expenses, computer, office equipment,
3			software
4			
5	Board Meeting Costs & Parking	\$3,000	9 board members meetings, lunch, refreshments, parking
6			
7	Consultants	\$70,000	Forensic, Premises Security, CPA-Bookkeeper, Tax Atty, HR Atty, IT, Benefits, Insurance
8			
9	Recruiter Fee	\$80,000	Estimated fees for Executives, Searches, Testing, Investigations, Placement
10			
11	Interviewee Travel	\$17,000.00	Executive applicants interviewing, airline/hotel/ground
12			estimate 5-7 people @ \$2,000 each
13			
14	Executive Salaries & Benefits	\$280,000.00	Estimated initial outlay for new hires
15			
16			
17			
18	Subtotal	\$500,000.00	Initial FSC, LGC funding request from the \$5,000,000 general funds
19			designated from the City for the Forensic Science Center
20			
21			

HOUSTON FORENSIC SCIENCE LGC, INC.

Resolution No. 2012-004

RESOLUTION PRESCRIBING STANDARDS OF CONDUCT FOR DIRECTORS

WHEREAS, the Board of Directors (the "Board") of Houston Forensic Science LGC, Inc. (the "Corporation") desires to prescribe certain standards of conduct for the Directors; **NOW, THEREFORE**;

BE IT RESOLVED BY THE DIRECTORS OF THE CORPORATION:

Section 1. That the Policy established by this Resolution applies to the Directors of the Corporation.

Section 2. That, with regard to any particular criminal investigation or proceeding, no Director of the Corporation shall engage in conduct reasonably likely to be construed as an attempt to interfere with or otherwise to influence the collection or the analysis of forensic evidence by an officer, employee, contractor, or agent of the Corporation, or to interfere with or otherwise to influence the timing or prioritization of such collection or analysis.

Section 3. That, notwithstanding Section 2 immediately above, nothing in this Resolution shall be construed to limit the authority of the Board as a whole to manage the affairs of the Corporation, including such matters as the collection and analysis of forensic evidence and the timing and prioritization of same.

Section 4. That no Director of the Corporation shall engage in conduct that, if committed by a public servant, would constitute an offense under Section 36.07(a)-(b), Texas Penal Code.

Section 5. That no Director of the Corporation shall engage in conduct that, if

committed by a public servant, would constitute an offense under Section 36.08(d), Texas Penal Code; furthermore, the exception created by Section 36.10(b), Texas Penal Code, shall apply to this Section 5 only if the fair market value of the benefit does not exceed \$50.00.

Section 6. That any actual or reasonably suspected violation of the Policy established by this Resolution must be reported to the Board of Directors for action commensurate with the violation.

Section 7. That this Resolution shall take effect immediately upon its adoption by the Board of Directors.

ADOPTED this 10th day of October, 2012.

CERTIFICATE

The undersigned hereby certifies that this Resolution 2012-04 was duly adopted by the Board of Directors of Houston Forensic Science LGC, Inc., on the 10th day of October, 2012.

Executed this 10th day of October, 2012.

Deborah Bohr
(Signature)

Deborah Bohr
(Printed Name of Secretary or Acting Secretary)