

ARTICLES OF INCORPORATION

OF

CALVERT ECONOMIC DEVELOPMENT CORPORATION

WE, THE UNDESIGNED natural persons, not less than three in number, each of whom is at least 18 years of age and a qualified elector of the City of Calvert, Texas (the “City”), acting as incorporators of a public instrumentality and non-profit economic development corporation (the “Corporation”) under the Development Corporation Act of 1979, as amended, Article 5190.6, Vernon’s Ann. Civ. St., Sect. 4B as amended (the “Act”), with the approval of the City Council, do hereby adopt the following Articles of Incorporation (the “Articles”) for the Corporation:

ARTICLE ONE

The name of the corporation is “CALVERT ECONOMIC DEVELOPMENT CORPORATION.”

ARTICLE TWO

The Corporation is a non-profit economic development corporation under the Act and is governed by Section 4B of the Act.

ARTICLE THREE

Subject to the provisions of these Articles, the period of duration of the Corporation is perpetual.

ARTICLE FOUR

The Corporation has no members and is a non-stock corporation.

ARTICLE FIVE

The purpose of the Corporation is to promote economic development within the City and State in order to eliminate unemployment and underemployment, and to promote and encourage employment and the public welfare of, for, and on behalf of the City, and for parks, auditoriums, open space improvements, and operating costs of the publicly owned and operated projects by developing,

implementing, providing, and financing projects under the act and as defined in Section 4B of the Act.

In the fulfillment of its corporate purpose, the Corporation shall have the power to provide financing to pay the costs of projects through the issuance or execution of bonds, notes, and other forms of debt instruments, and to acquire, maintain, lease and sell property, and interest therein, all to be done and accomplished on behalf of the City, for its benefit, to accomplish its public and governmental purposes as its duly constituted authority and public instrumentality pursuant to the Act, under and within the meaning of the Internal Revenue Code of 1986, as amended, and the applicable regulation of the United States prescribed and promulgated there under.

In the fulfillment of its corporate purpose, the Corporation shall have and may exercise the powers described in the Articles, together with all of the other powers granted to the corporation, that are incorporated under the Act, and that are governed by Section 4B thereof, and to the extent all of the rights, powers, privileges, authorities, and functions given by the general laws of the State of Texas to nonprofit corporation under the Texas Non-Profit Corporation Act, Article 1396-1.01 et seq. Vernon's Ann. Civ. St., as amended.

The Corporation is a corporation, having the purpose and powers permitted by the Act , pursuant to the authority granted in Article III, Section 52-a of the Texas Constitution. The Corporation does not have, and shall not exercise, the powers of sovereignty of the City, including the power of tax (except for the power to receive and use the sales and use taxes specified in Section 4B of the Act) and the police power, except that the Corporation shall have and may exercise the power of eminent domain when the exercise thereof is approved by the City Council. The Corporation, directors of the Corporation, the City creating the Corporation, members of the governing body of the City, employees of the Corporation and employees of the City shall not be and are liable for damages arising from the performance of any governmental function of the Corporation or City. For purposes of the Texas Tort Claims Act (Subchapter A, Chapter 101, Texas Civil Practice and remedies Code), the Corporation is a governmental unit and its actions are governmental functions.

No bonds, notes, or other debt instruments or other obligations, contracts, or agreements of the Corporations are or shall ever be deemed to be or constitute the contracts, agreements, bonds, notes, or any other debt instruments or other obligations, or the lending of credit, or a grant of the public money or things of value, belonging to, or by, the State of Texas, or the City, or any other political corporation, subdivision or agency of the State of Texas, or pledge the full faith and credit of any

of them. Any and all of such contracts and agreements shall be payable solely and exclusively from the revenues and funds received by the Corporation from the sources authorized by Section 4B of the Act and such other sources as may be otherwise lawfully available and belonging to the Corporation from time to time.

ARTICLE SIX

These Articles shall be amended in any of the following methods:

- A. Pursuant to the powers of the City, contained in the Act, the City Council, by resolution, may amend these Articles specifying in such application the proposed amendments to these hereto with the Secretary of State as provided by the Act.
- B. The Board of Directors (the “Board”) of the Corporation may file a written application with the City Council requesting approval of proposed amendments to these Articles specifying in such application the proposed amendments. If the City Council, by appropriate resolution, finds and determines that it is advisable the proposed amendments be made and authorizes, and approves the form of the proposed amendments, the Board may proceed to amend these articles in the manner provided by the act.
- C. The Board shall not have any power to amend the articles except in accordance with procedures established in these Articles.

ARTICLE SEVEN

The address of the initial registered office of the Corporation is City Hall, 600 Railroad Street, Calvert, Texas 77837, and the name of its initial registered agent at such address is Cooper Weise. This address shall also serve as the principal address of the Board.

ARTICLE EIGHT

The affairs of the Corporation shall be managed by a Board of Directors (the

“directors”) which shall be composed of seven (7) persons appointed by the City Council. Each of the directors shall be a resident of the City. The names and addresses of the persons who are to serve as the initial directors are as follows:

NAME	ADDRESS
Bert T. Dunken	P.O. Box 95, Calvert, Texas 77837
Cooper Wiese	P.O. Box 97, Calvert, Texas 77837
Willis Dixon Jr.	P.O. Box 678, Calvert, Texas 77837
Michael Hensarling	P.O. Box 252, Calvert, Texas 77837
John W. Anderson	P.O. Box 44, Calvert, Texas 77837
Allen Wiese	P.O. Box 33, Calvert, Texas 77837
Harold Loewe	P.O. Box 367, Calvert, Texas 77837

Each director shall hold office for the term for which the director is appointed unless sooner removed or resigned. Each director, including the initial directors, shall be eligible for reappointment. Directors are removable by the City Council at will and shall be appointed for a term of two (2) years. Initial terms of directors shall be provided by the Corporation’s Bylaws. If a director is a member of the city council and ceases to be a member of such, such shall constitute an automatic resignation as a director and such vacancy shall be filled in the same manner as for other vacancies.

Any vacancy of a director position occurring through death, resignation or otherwise shall be filled by an appointment of the City Council, as provided by the Corporation’s Bylaws, to hold office until the vacating member’s term.

ARTICLE NINE

The name and address of each incorporator is:

NAME	ADDRESS
Bert T. Dunken	P.O. Box 95, Calvert, Texas 77837

Cooper Wiese	P.O. Box 97, Calvert, Texas 77837
Willis Dixon Jr.	P.O. Box 678, Calvert, Texas 77837
Michael Hensarling	P.O. Box 252, Calvert, Texas 77837
John W. Anderson	P.O. Box 44, Calvert, Texas 77837
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The initial bylaws of the Corporation shall be in the form and substance approved by the City Council in its Ordinance No. 177 approving these Articles. Such bylaws shall be adopted by the Corporation's board and shall, together with these Articles, govern the internal affairs of the Corporation unless and until amended in accordance with these Articles.

Neither the initial bylaws nor any subsequently effective bylaws of the Corporation may be amended without consent and approval of the City Council. The approval of any proposed amendments shall not become effective unless and until they are approved by resolution of the City Council.

ARTICLE TEN

The City Council may, in its sole discretion, and at any time, alter or change the structure, organization, programs or activities of the corporation, and it may terminate or dissolve the Corporation, subject to the provisions of these Articles.

The Corporation shall not be dissolved, and its business shall not be terminated, by act of the City Council; election by the voters as prescribed by the Act, or other obligations and unless the collection of the sales and use tax authorized by Section 4B of the act is eligible for termination in accordance with the provisions of Section 4B of the Act.

No action shall be taken in any manner or at time that would impair any contract, lease, right, or other obligation therefore executed, granted, or incurred by the Corporation.

ARTICLE ELEVEN

No dividends shall ever be paid by the Corporation and no part of its net

earnings remaining after payment of its expenses and other obligations shall be distributed to or inure to the benefit of its directors or officers, or any individual, private firm, or private corporation or association.

If the Corporation ever should be dissolved when it has, or is entitled to interest in any funds or property of any kind, real, personal, or mixed, such funds or property or rights thereto shall not be transferred to private ownership, but shall be transferred and delivered to the City after satisfaction or provision for satisfaction of all debts, claims, and contractual obligations, including any contractual obligations granting rights of purchase of property of the Corporation.

No part of the Corporation's activities shall consist of carrying on of propaganda or otherwise attempting to influence legislation, and the Corporation shall not participate in any campaign for, or in opposition to, any candidate for public office.

ARTICLE TWELVE

The City has specifically authorized the Corporation by Ordinance No.175 to act on its behalf to further the public purposes stated in said ordinance and in these Articles and the City has by said Ordinance No.175 approved the Articles. A copy of said ordinance is on file among the permanent public records of the City and the Corporation.

INCORPORATORS: