

## **EXHIBIT A**

### **ARTICLES OF INCORPORATION OF LAGUNA VISTA COMMUNITY DEVELOPMENT CORPORATION**

We, the undersigned natural persons, not less than three in number, each of whom is at least 18 years of age and is a qualified elector of the Town of Laguna Vista, Texas (the "Town"), acting as incorporators of a public instrumentality and non-profit industrial development corporation (the "Corporation") under the Development Corporation Act of 1979, as amended, Article 5190.6, Vernon's Ann. Civ. Sta., Section 4B as amended (the "Act"), with the approval of the Board of Aldermen, do hereby adopt the following Articles of Incorporation (the "Articles") for the Corporation:

#### **ARTICLE ONE**

The name of the Corporation is **LAGUNA VISTA COMMUNITY DEVELOPMENT CORPORATION**.

#### **ARTICLE TWO**

The Corporation is a non-profit industrial 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 Town and the State of Texas in order to eliminate unemployment and underemployment, and to promote and encourage employment and the public welfare of, for, and on behalf of the Town, and for parks, auditoriums, learning centers, open space improvements, water, sewage, street drainage, athletic and exhibition facilities, and other related improvements and for maintenance 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, and lease and sell property, and interests therein, all to be done and accomplished on behalf of the Town and for its benefit and to accomplish its public and governmental purposes as its duly constituted authority and public instrumentality pursuant to the Act and under, and within the meaning of, the Internal Revenue Code of 1986, as amended, and the applicable regulations of the United States prescribed and promulgated thereunder.

In the fulfillment of its corporate purpose, the Corporation shall have and may exercise the powers described in these Articles, together with all of the other powers granted to corporations that are incorporated under the Act and that are governed by Section 4B thereof, and, to the extent not in conflict with the Act, the Corporation shall additionally have and may exercise all of the rights, powers, privileges, authorities, and functions given by the general laws of the State of Texas to non-profit corporations under the Texas Non-Profit Corporation Act, as amended, Article 1396.-1.01, et seq. Vernon's Ann. Civ. St., as amended.

The Corporation is a corporation having the purposes and powers permitted by the Act pursuant to the authority granted in Article III, Section 52-a of the Texas Constitution, but the Corporation does not have, and shall not exercise the powers of sovereignty of the Town, including the power to tax (except for the power to received 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 Board of Aldermen. The Corporation, directors of the Corporation, the Town creating the Corporation, member of the governing body of the Town, employees of the Corporation and employees of the Town shall not be and are not liable for damages arising from the performance of any governmental function of the Corporation or Town. For purposes of the Texas Tort Claim Act (subchapter A, Chapter 101, Texas Civil Practice and Remedies Code), the Corporation is a government unit and its actions are governmental functions.

No bonds, notes, or other debt instruments or other obligations, contracts, or agreements of the Corporation are or shall ever be deemed to be or constitute the contracts, agreements, bonds, notes, or other debt instruments or other obligations, or the lending of credit, or a grant of the public money or things of value of, belonging to, or by the State of Texas, the Town or any other political corporation, subdivision or agency of the State of Texas, or pledge of the faith and credit of any of them. Any and all of such contracts, agreements, bonds, notes and other debt instruments and other obligations, 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 from such other sources as may be otherwise lawfully available and belonging to the Corporation from time to time.

## **ARTICLE SIX**

These Articles may be amended in either one of the following methods:

- A. Pursuant to the powers of the Town contained in the Act, the Board of Aldermen, by resolution, may amend these Articles by filing amendments 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 Board of Aldermen requesting approval of proposed amendments to these Articles specifying in such application the proposed amendments. If the Board of Aldermen, by appropriate resolution, finds and determines that it is advisable that the proposed amendments be made, authorizes the same to be made, 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 these Articles except in accordance with the procedures established in these Articles.

#### **ARTICLE SEVEN**

The address of the initial registered office of the Corporation is the Town Hall, 122 Fernandez Street, Laguna Vista, Texas 78578 and the name of its initial registered agent at such address is Laguna Vista City Secretary, Alma Deckard. 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 Board of Aldermen. Each of the directors shall be a resident of the Town. The names and street address of the persons who are to serve as the initial directors are as follows:

<u>NAME</u>	<u>ADDRESS</u>
Rudy Garcia	501 Mesquite Drive, Laguna Vista, TX 78578
Joe Cavazos	808 Palm Blvd., Laguna Vista, TX. 78578
David Privett	310 Mesquite Drive, Laguna Vista, TX 78578
David Hamerly	300 Palm Blvd., Laguna Vista, TX 78578
John Thobe	322 Mesquite Drive, Laguna Vista, TX 78578
Eliza Higginbotham	521 Palm Blvd., Laguna Vista, TX 78578
Michael Zimmerman	801 Orange Lane, Laguna Vista, TX 78578

Each director shall hold office for the term of which the director is appointed unless removed or resigned. Each director, including the initial directors, shall be eligible for re-appointments. Directors are removable by the Board of Aldermen at will and shall be appointed for a term of two (2) years. Initial terms of directors shall be provided by the Corporation's By-Laws. If a director is a member of the Board of Aldermen and ceases to be a member of such, such event 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 appointment by the Board of Aldermen, as provided by the Corporation's By-Laws, to hold office until the expiration of the vacating member's term.

#### **ARTICLE NINE**

The name and street address of each incorporator are:

<u>NAME</u>	<u>ADDRESS</u>
Town of Laguna Vista	122 Fernandez St., Laguna Vista, TX
Hap Fairhart, Mayor	122 Fernandez St., Laguna Vista, TX
Jeff Zimmerman, Mayor Protem	122 Fernandez St., Laguna Vista, TX
Victor Barrera, Alderman	122 Fernandez St., Laguna Vista, TX
Charles Ralston, Alderman	122 Fernandez St., Laguna Vista, TX
Marty Medrano, Alderman	122 Fernandez St., Laguna Vista, TX

#### **ARTICLE TEN**

The initial By-Laws of the Corporation shall be in the form and substance approved by the Board of Aldermen in its Resolution Number 14-98 approving these Articles. Such By-Laws shall be adopted by the Corporation's board and shall, together with these Articles, govern the internal

affairs of the Corporation until and unless amended in accordance with these Articles.

Neither the initial By-Laws nor any subsequently effective By-Laws of the Corporation may be amended without the consent and approval of the Board of Aldermen. The Board shall make application to the Board of Aldermen for the approval of any proposed amendments, but the same shall not become effective until or unless the same shall be approved by resolution adopted by the Board of Aldermen.

#### **ARTICLE ELEVEN**

The Board of Alderman may, in its sole desecration, 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 Board of Aldermen, election by the voters as prescribed by the Act, or otherwise, so long as the Corporation shall be obligated to pay any bonds, notes, 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 any time that would impair any contract, lease, right, or other obligation therefore executed, granted, or incurred by the Corporation.

#### **ARTICLE TWELVE**

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 shall be dissolved when it has, or is entitled to, any 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 Town 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 the carrying on of propaganda or otherwise attempting to influence legislation, and the Corporation shall not participate in any political campaign of or in opposition to any candidate for public office.

### **ARTICLE THIRTEEN**

The Town has specifically authorized the Corporation by Resolution Number 14-98 to act on its behalf to further the public purposes stated in said Resolution and in these Articles and the Town has by said Resolution Number 14-98 approved the Articles. A copy of said Resolution is on file among the permanent public records of the Town and the Corporation.

### **INCORPORATORS:**

Hap Fairhart, Mayor  
Victor Barrera, Alderman  
Marty Medrano, Alderman

Jeff Zimmerman, Mayor Pro-Tem  
Charles Ralston, Alderman

**THE STATE OF TEXAS**

**COUNTY OF CAMERON**

I, the undersigned, a Notary Public of the State of Texas, do hereby certify that on this \_\_\_\_ day of \_\_\_\_\_, 1998, personally appeared before me

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_, and  
\_\_\_\_\_

who, each being by me first sworn, severally declared that they are the persons who signed the foregoing document as incorporators, and that the statements therein contained are true and correct.

In witness whereof, I have hereunto set my hand and seal the date and year above written.

\_\_\_\_\_  
Alma Deckard,  
Notary Public, State of Texas