

ARTICLES OF INCORPORATION
OF THE
CLEVELAND ECONOMIC DEVELOPMENT CORPORATION

THE STATE OF TEXAS §
 §
COUNTY OF LIBERTY §

We, Richard Boyett and Kelly McDonald, being the presiding officer and secretary of the governing body of the City of Cleveland, Texas (the "City"), the unit of government under whose auspices is hereby created the **Cleveland Economic Development Corporation** (the "Corporation"), a nonprofit industrial development corporation organized under TEX. REV. CIV. STAT. ANN. art. 5190.6 ("The Development Corporation Act of 1979"), acting herein with the approval and at the direction of the governing body of the City, do hereby make and subscribe these Articles of Incorporation as follows:

ARTICLE ONE

The name of the Corporation is "Cleveland Economic Development Corporation."

ARTICLE TWO

The Corporation is a nonprofit corporation and is an industrial development corporation organized under The Development Corporation Act of 1979 ("the Act") and governed by Section 4B of the Act. In the event of any conflict between any provision of these Articles of Incorporation and the Act, then the provisions of the Act shall control.

ARTICLE THREE

The period of duration of the Corporation is perpetual.

ARTICLE FOUR

The Corporation is organized exclusively for the purposes of benefiting and accomplishing public purposes of, and to act on behalf of, the City, and the specific purposes for which the Corporation is organized, and may issue bonds on behalf of the City, and expend the proceeds of any sales and use tax levied for the benefit of the Corporation, for the promotion and development of commercial, industrial and manufacturing enterprises to promote and encourage employment and the public welfare, pursuant to Section 4B of the Act. The Corporation is a constituted authority and a public instrumentality within the meaning of the United States Treasury Department and the rulings of the Internal Revenue Service prescribed and promulgated pursuant to Section 103 of the Internal Revenue Code of 1954, as amended, and the Corporation is authorized to act on behalf of the City as provided in these Articles of Incorporation. However, the Corporation is not a political subdivision or political corporation of the State of Texas within the meaning of its Constitution and laws, including, without limitation, Article III, Section 52, of said Constitution, and no agreements, bonds, debts, or obligations of the Corporation are or shall ever be deemed to be the agreements, bonds, debts, or obligations, or the lending of credit, or a grant of public money or thing of value, of or by the City, or any other political corporation, subdivision, or agency of the State of Texas, or a pledge of the faith and credit of any of them.

ARTICLE FIVE

The Corporation has no members and is a nonstock corporation.

ARTICLE SIX

These Articles of Incorporation may at any time and from time to time be amended as provided in the Act, as it now exists or may be hereafter amended, so as to make any changes

therein and to add any provisions thereto which might have been included in these Articles of Incorporation in the first instance. Any such amendment shall be affected in either of the following manners: (i) The members of the Board of Directors of the Corporation shall file with the governing body of the City a written application requesting approval of the amendments to the Articles of Incorporation, specifying in such application the amendments proposed to be made. The governing body shall consider such application and, if it shall by appropriate resolution duly find and determine it is advisable that the proposed amendments be made, shall approve the form of the proposed amendments. The Board of Directors of the Corporation may then amend the Articles of Incorporation by adopting such amendments at a meeting of the Board of Directors and then delivering articles of amendment to the Secretary of State, or (ii) The governing body of the City may, at its sole discretion, and at any time, amend these Articles of Incorporation, and alter or change the structure, organization, programs or activities of the Corporation, or terminate or dissolve the Corporation (subject to the provisions of the Act, and subject to any limitation provided by the Constitutions and laws of the State of Texas and the United States of America on the impairment of contracts entered into by the Corporation) by written resolution adopting the amendment to the Articles of Incorporation of the Corporation or articles of dissolution at a meeting of the governing body of the City and then delivering articles of amendment or dissolution to the Secretary of State, as provided in the Act. Restated Articles of Incorporation may be filed with the Secretary of State as provided in the Act.

ARTICLE SEVEN

The street address of the present registered office of the Corporation is City Hall, 203 E. Boothe, Cleveland, Texas 77327, and the name of its present registered agent is Kelly McDonald.

ARTICLE EIGHT

The affairs of the Corporation shall be managed by a Board of Directors consisting of seven (7) directors appointed by the governing body of the City for staggered two (2) year terms of office. Not less than three (3) directors shall be persons who are not employees, officers, or members of the governing body of the City. The names, street addresses, and terms of the initial Board of Directors are as follows:

	<u>Name</u>	<u>Term Expiration Date</u>
(1)	John Davis 237 S. College Cleveland, TX 77327	December 30, 2003
(2)	Willie Carter P.O. Box 845 Cleveland, TX 77328	December 30, 2003
(3)	Brad Browder c/o First Bank And Trust 200 E. Crockett Cleveland, TX 77327	December 30, 2003
(4)	Elton Williams 1810 N. Travis Cleveland, TX 77327	December 30, 2002
(5)	Freida White c/o Liberty Christian Fellowship 601 N. Washington Cleveland, TX 77327	December 30, 2002
(6)	Kenneth Riggs c/o Heritage Bank 104 W. Crockett Cleveland, TX 77327	December 30, 2003
(7)	Bill Petropolis 141 Wall Cleveland, TX 77327	December 30, 2002

Directors are removable by the governing body of the City at any time without cause. The Directors shall serve without compensation, unless compensation is proposed and approved by the City's governing body, said compensation in no event to exceed the compensation of the elected officers of the City's governing body, except that such Directors shall be reimbursed for their actual expenses incurred in the performance of their duties. Any vacancy occurring on the Board of Directors through death, resignation, or otherwise shall be filled by appointment by the governing body of the City, said appointee to hold office until the expiration of the relinquished term.

ARTICLE NINE

The City has specifically authorized the Corporation by Resolution to act on its behalf to further the public purposes stated in said Resolution and these Articles of Incorporation, and the City has by said Resolution approved these Articles of Incorporation. A copy of such Resolution is attached to these Articles of Incorporation and made a part hereof for all purposes.

ARTICLE TEN

No dividends shall ever be paid by the Corporation and no part of its net earnings remaining after payment of expenses shall be distributed to or inure to the benefit of its Directors or officers or any individual, firm, corporation or association, except that in the event the Board of Directors shall determine that sufficient provision has been made for the full payment of the expenses, bonds and other obligations of the Corporation, and if no further income or expenses are anticipated or expected or due, then any net earnings of the Corporation thereafter accruing shall be paid to the City. No part of the Corporation's activities shall be carrying on of propaganda, or otherwise attempting to influence legislation, including but not limited to the legislation of the City, and the Corporation as an entity, or any person on its behalf, shall not

participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of or in opposition to any candidate for public office.

ARTICLE ELEVEN

If the Corporation ever should 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 City after satisfaction or provision for satisfaction of debts and claims.

ARTICLE TWELVE

The name and street address of the incorporator is:

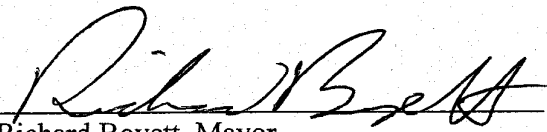
Name:

Address:

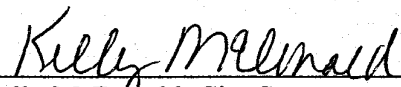
Richard Boyett
Mayor, City of Cleveland, Texas

City Hall, 203 E. Boothe Street
Cleveland, Texas 77327

Signed this 27 day of November, 2001.


Richard Boyett, Mayor

ATTEST:


Kelly McDonald, City Secretary