

RESOLUTION NO. 03-06-19-05R

A RESOLUTION OF THE CITY COUNCIL OF CORINTH, TEXAS, AUTHORIZING AND APPROVING THE CREATION OF THE CORINTH ECONOMIC DEVELOPMENT CORPORATION; APPROVING THE CORPORATION'S ARTICLES OF INCORPORATION AND APPOINTING ITS INITIAL DIRECTORS; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, pursuant to the authority granted by the Development Corporation Act of 1979, Article 5190.6, Texas Revised Civil Statutes, as amended (the "Act"), this City Council finds it advisable to authorize the creation of a non-profit corporation (the "Corporation") to be named the Corinth Economic Development Corporation, to act on its behalf in financing, under the Act, eligible "projects;" and

WHEREAS, such projects are hereby deemed to be for the benefit of the public; and

WHEREAS, the Corporation may exercise such other powers for such purposes as may be consistent with the Act, and subject to the approval of the City Council from time to time; and

WHEREAS, the City of Corinth is an eligible city as defined by Section 4B of the Act; and

WHEREAS, the Corporation shall be governed by Section 4B of the Act, as now existing or as it may be amended;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CORINTH, TEXAS:

Section 1.

That the findings and declarations contained in the preamble of this Resolution are incorporated herein as part of this Resolution.

Section 2.

That the City Council hereby finds and determines that cooperative action with the Corporation will provide a means of financing needed public improvements within the City, consistent with the Act.

Section 3.

That this City Council hereby approves the Articles of Incorporation (the "Articles") for the Corporation in substantially the form attached hereto as Exhibit "A"

and authorizes the filing of the Articles with the Secretary of State of Texas in accordance with the Act.

Section 4.

That this City Council hereby appoints those persons named in the Articles, each of whom on the date of his or her appointment is duly qualified in accordance with the Act, to serve as the initial members of the Board of Directors of the Corporation, such service to be at all times subject to the powers of the City Council under the Articles.

Section 5.

That it is intended that the Corporation be a duly constituted authority and instrumentality of the City, with the power to act on its behalf and to accomplish the public purposes of the City within the meaning of regulations and revenue rulings of the Treasury Department of the Internal Revenue Service of the United States promulgated under Sections 103 and 115 of the Internal Revenue Code of 1986, as amended.

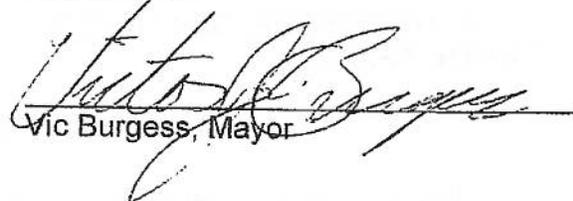
Section 6.

This resolution shall be in full force and effect from and after its passage.

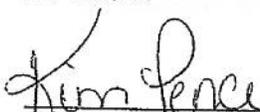
**DULY RESOLVED BY THE CITY COUNCIL OF THE CITY OF CORINTH ON
THE 19th DAY OF JUNE, 2003.**



APPROVED:


Vic Burgess, Mayor

ATTEST:



Kim Pence, City Secretary

Exhibit "A"



**ARTICLES OF INCORPORATION
CORINTH ECONOMIC DEVELOPMENT CORPORATION
A Texas Non-Profit Corporation**

THE STATE OF TEXAS

COUNTY OF DENTON

WE, THE UNDERSIGNED natural persons, not less than three in number, each of whom is at least 18 years of age, and each of whom is a qualified elector of the City of Corinth, Texas, a municipal corporation established under the Texas Constitution, acting as incorporators of a public instrumentality and non-profit development corporation (the "Corporation") under Section 4B of the "Development Corporation Act of 1979," Tex. Rev. Civ. Stat. Ann. Art. 5190.6, as amended (the "Act"), with the approval of the City Council of the City of Corinth, Texas (the "City"), as evidenced by the Resolution attached hereto and made a part of these Articles for all purposes, do hereby adopt the following Articles of Incorporation for the Corporation:

ARTICLE I: NAME

The name of the Corporation is **CORINTH ECONOMIC DEVELOPMENT CORPORATION**.

ARTICLE II: NON-PROFIT CORPORATION

The Corporation is a non-profit corporation and an industrial development corporation specifically governed by Section 4B of the Act, as now or hereafter amended.

ARTICLE III: DURATION

The period of duration of the Corporation is perpetual.

ARTICLE IV: PURPOSE

The Corporation is organized exclusively for the purposes of benefiting and accomplishing public purposes of, and acting on behalf of, the City in the promotion and development of projects approved by the voters of the City at an election held on November 5, 2002, including, but not limited to, projects for the promotion of amateur

sports, athletic, entertainment, tourist, convention, and public park purposes and events, including stadiums, ball parks, auditoriums, amphitheaters, concert halls, learning centers, parks and park facilities, open space improvements, municipal buildings, museums, exhibition facilities, and related store, restaurant, concession, and automobile parking facilities, and related area transportation facilities, and related roads, streets, and water and sewer facilities and projects which promote or develop new or expanded business enterprises, including projects to provide public safety facilities, streets and roads, drainage and related improvements, demolition of existing structures, and general municipally owned improvements, water supply facilities, including dams, transmission lines, well field developments, and other water supply alternatives, water conservation programs, including incentives to install water-saving plumbing fixtures, educational programs, brush control programs, and programs to replace malfunctioning or leaking water lines and other water facilities and any other improvements or facilities related to any of the above projects and any other authorized under Section 4B of the Act. The Corporation may issue bonds to finance projects.

ARTICLE V: POWERS

- A. The Corporation shall have and exercise all of the rights, powers, privileges, authority, and functions given by the general laws of Texas to non-profit corporations incorporated under the Texas Non-profit Corporation Act, as amended, Tex. Rev. Civ. Stat. Ann. Art 1396-1.01 et seq., and the additional powers as provided in the Act.
- B. 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 City and for its benefit 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 application regulations and rulings.
- C. 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 City, or any other corporation, subdivision or agency of the State of Texas, or a 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 and 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 VI: INITIAL REGISTERED OFFICE AND AGENT

The street address of the initial registered office of the Corporation is 2003 S. Corinth Street, Corinth, Texas 76210, and the name of the initial registered agent at such address is Karen Gandy.

ARTICLE VII: DIRECTORS

- A. The affairs of the Corporation shall be managed by a board of directors, which shall be composed of seven (7) persons appointed by the City Council, each of whom (i) shall be a resident of Denton County for so long as the City shall have a population of less than 20,000 residents, and (ii) shall be a resident of the City during the time that the City shall have a population of 20,000 or more residents. Three (3) members of the board of directors may be City employees, officers, or members of the City Council (the "City Representative Class"). However, at least four (4) members shall be persons who are not City employees, officers or members of the City Council (the "Citizen Member Class").
- B. Each director shall serve a term of office of two years. The names and street address of the persons who are to serve as the initial directors of the respective classes and the lengths of their initial terms as directors are as follows:

NAME	ADDRESS	EXPIRATION OF TERM	DIRECTOR CLASS
Rusty Russell	1910 Vintage Drive Corinth, TX. 76205	May 31, 2004	Citizen Member
Rick Troutman	3501 Chelsea Court Corinth, TX. 76210	May 31, 2004	Citizen Member
Mark A. Miller	2923 Custer Drive Corinth, TX. 76210	May 31, 2004	Citizen Member
Clinton Brennan	1308 Woodlake Court Corinth, TX. 76210	May 31, 2005	Citizen Member
Bret W. Collins	1628 Nightingale Lane Corinth, TX. 76210	May 31, 2005	Citizen Member
Councilmember Gilbert Martinez	2709 Forestview Drive Corinth, TX. 76210	May 31, 2005	City Representative
Councilmember Lynn Mayfield	2501 Mountainview Drive Corinth, TX. 76210	May 31, 2005	City Representative

- C. Each Director shall hold office for the term for which the Director is appointed, or until his/her successor is appointed, unless sooner removed or resigned. Each Director, including the initial Directors, shall be eligible for reappointment, subject to Section E hereof.
- D. Directors serve at the will of the City Council and may be removed at any time by the City Council at will. Subsequent to the initial term as set forth above, Directors shall be appointed for a term of two years, or until his/her successor is

appointed. If a Director from the City Representative Class shall cease to be a City employee, officer or member of the City Council, such event shall constitute an automatic resignation as a Director and such vacancy shall be filled in the same manner as for other vacancies of the same class.

- E. Any vacancy occurring on the Board of Directors through death, resignation or otherwise, shall be filled by appointment by the City Council, to hold office until the expiration of the term of the vacating member. No Director shall serve more than two (2) consecutive terms, excluding the initial term if less than two (2) years, as set forth in these Articles of Incorporation. The Directors shall serve as such without compensation, except that they shall be reimbursed for their actual and reasonable expenses incurred in the performance of their duties as Directors.

ARTICLE VIII: MEMBERSHIP/STOCK

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

ARTICLE IX: AMENDMENTS

- A. These Articles of Incorporation and Bylaws may at any time from time to time be amended as provided in the Development Corporation Act, so as to make any changes therein and add any provisions thereto which are lawful under the Development Corporation Act as then in effect.
- B. Any such amendment shall be effected in either of the following manners:
 - 1. The Board of Directors of the Corporation shall file with the City Council a written application specifying the amendments proposed and requesting approval. The City Council shall consider such application and, if approved shall by resolution approve the proposed amendments, after which the Board of Directors of the Corporation may, by appropriate action, amend the Articles of Incorporation and/or Bylaws and shall deliver articles of amendment to the Secretary of State; or
 - 2. The City Council may amend the Articles of Incorporation and/or Bylaws, 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 Constitution and laws of the State of Texas and the United States of America regarding the impairment of contracts entered into by the corporation) by written resolution adopting the amendments to the Articles of Incorporation, or Bylaws or adopting Articles of Dissolution and shall deliver the same to the Secretary of State.

ARTICLE X: INCORPORATORS

The names and addresses of the original incorporators are:

<u>NAMES</u>	<u>ADDRESSES</u>
(1) J.B. Babs Troutman	3501 Chelsea Ct., Corinth, TX. 76210
(2) John Lugenheim	1917 Quail Run Dr., Corinth, TX. 76208
(3) Lula Taylor	2313 Taylor Circle, Corinth, TX. 76210

Each incorporator is a qualified elector of the city.

ARTICLE XI: AUTHORIZATION

By Resolution, the City has specifically authorized the creation of the Corporation to act on its behalf to further the public purposes stated in the Resolution and these Articles of Incorporation, and the City has by Resolution approved these Articles of Incorporation.

ARTICLE XII: DIVIDENDS

No dividends shall ever be paid by the Corporation and no part of its net earnings remaining after payment of its expenses shall be distributed to or inure to the benefit of its Directors or officers or any individual, firm, corporation, or association. No part of the Corporation's activities shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and it shall not participate 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.

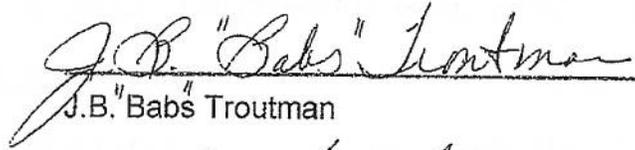
ARTICLE XIII: BYLAWS

The Corporation's internal affairs shall be regulated by a set of Bylaws, consistent with the laws of this State and with these Articles of Incorporation, which Bylaws shall be approved by the Board of Directors and the City Council.

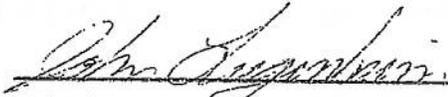
ARTICLE XIV: DISSOLUTION

If the Corporation is dissolved, then its interest in any funds or property of any kind, real, personal, or mixed, 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.

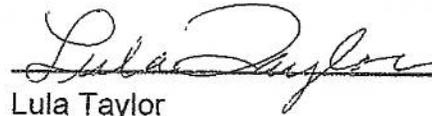
INCORPORATORS:



J.B. "Babs" Troutman



John Lugenheim



Lula Taylor

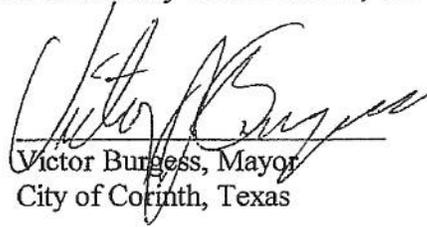
CERTIFICATE

STATE OF TEXAS §
§
COUNTY OF DENTON §

This Resolution No. 03-06-19-05 of the City Council of the City of Corinth, adopted and enacted on the 19th day of June, 2003 authorizing and approving the creation of the Corinth Economic Development Corporation; approving the Corporation's Articles of Incorporation and Appointing its initial Directors; and providing an effective date, is hereby duly authenticated and approved.

In witness whereof, I have hereunto subscribed my name as Mayor of the City of Corinth, attested by the City Secretary, with the seal of the City affixed hereto, this 19th day of June 2003.




Victor Burgess, Mayor
City of Corinth, Texas

ATTEST:


Kim Pence, City Secretary
City of Corinth, Texas

