



Office of the Secretary of State

The undersigned, as Secretary of State of Texas, does hereby certify that the document, Articles of Incorporation for MEMORIAL CITY REDEVELOPMENT AUTHORITY (filing number: 800132030), a Domestic Nonprofit Corporation, was filed in this office on October 03, 2002.

It is further certified that the entity status in Texas is in existence.

It is further certified that our records indicate PATRICIA JOINER as the designated registered agent for the above named corporation and the designated registered office for said corporation is as follows:

8588 KATY FREEWAY
STE 441
HOUSTON, TX - 77024 USA

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on December 14, 2005.



A handwritten signature in black ink that reads "Roger Williams".

Roger Williams
Secretary of State

ARTICLES OF INCORPORATION

FILED
In the Office of the
Secretary of State of Texas

OF

OCT 03 2002

MEMORIAL CITY REDEVELOPMENT AUTHORITY
Corporations Section

We, the undersigned natural persons, each of whom is at least eighteen (18) years of age or more, and a resident and a qualified voter of the City of Houston, Texas (the "City") and a citizen of the State of Texas, acting as incorporators of a corporation under the provisions of Subchapter D of Chapter 431, Texas Transportation Code (the "Act"), and Chapter 394, Texas Local Government Code, do hereby adopt the following Articles of Incorporation for such corporation:

ARTICLE I

The name of the corporation is MEMORIAL CITY REDEVELOPMENT AUTHORITY (the "Authority").

ARTICLE II

The Authority is a public non-profit corporation.

ARTICLE III

The period of duration of the Authority shall be perpetual.

ARTICLE IV

The Authority is organized and will be operated exclusively for one or more charitable purposes, within the meaning of Section 501(c)(3) of the U.S. Internal Revenue Code of 1986, as amended (the "Code"). The Authority is organized for the purpose of aiding, assisting, and acting on behalf of the City in the performance of its governmental functions to promote the common good and general welfare of the area included in Reinvestment Zone Number Seventeen, City of Houston, Texas (the "Memorial City TIRZ") and neighboring areas, as more particularly described in City Ordinance No. 1999-759, and as the boundaries may be amended from time to time (the "Memorial City Area"); to promote, develop, encourage and maintain housing, educational facilities, employment, commerce and economic development in the City.

The Authority is further organized to aid, assist and act on behalf of the City and the Board of Directors of the Memorial City TIRZ:

(a) in the implementation of the Project Plan and the Reinvestment Zone Financing Plan for the Memorial City TIRZ and the preparation and implementation of amendments thereto;

(b) in the development of a policy to finance development of residential, commercial and public properties in the Memorial City Area; and

(c) in the development and implementation of a development policy for the Memorial City Area, including the acquisition of land for development purposes.

The Authority is formed pursuant to the provisions of the Act as it now or may hereafter be amended, and Chapter 394, Texas Local Government Code, which authorizes the Authority to assist and act on behalf of the City and to engage in activities in the furtherance of the purposes for its creation, provided that the Authority shall not be authorized to make or acquire home mortgages, or to make loans to lending institutions, the proceeds of which are to be used to make home mortgages or to make loans on residential developments.

The Authority 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 Act including, without limitation, Article 1396, Vernon's Texas Civil Statutes (the Texas Non-Profit Corporation Act).

The Authority shall have all other powers of a like or different nature not prohibited by law which are available to non-profit corporations in Texas and which are necessary or useful to enable the Authority to perform the purposes for which it is created, including the power to issue bonds, notes or other obligations, and otherwise exercise its borrowing power to accomplish the purposes for which it was created, provided that the Authority shall not issue bonds without the consent of the City Council of the City.

The Authority is created as a local government corporation pursuant to the Act and shall be a governmental unit within the meaning of Subdivision (2), Section 101.001, Texas Civil Practice and Remedies Code. The operations of the Authority are governmental and not proprietary functions for purposes of the Texas Tort Claims Act, Section 101.001 et seq., Texas Civil Practice and Remedies Code. The Authority shall have the power to acquire land in accordance with the Act as amended from time to time.

ARTICLE V

The Authority shall have no members and shall have no stock.

ARTICLE VI

All powers of the Authority shall be vested in a Board consisting initially of five (5) persons. Additional persons may be added to the Board by the Authority in accordance with the provisions of

the Bylaws. The initial directors of the Authority ("Director" or "Directors") shall be those persons named in Article VIII. Each initial Director named in Article VIII hereof shall serve for the term prescribed in the Bylaws. Subsequent Directors shall be appointed by position to the Board as prescribed in the Bylaws. Except as provided in the Articles of Incorporation, each Director shall serve for the term provided in the Bylaws. Any Director may be removed from office at any time, with or without cause, by the City Council of the City.

The initial Chairperson shall be Charles S. Turet, Jr. and the Mayor of the City shall designate each subsequent Chairperson of the Board.

If any of the following persons is not serving as a member of the Board, he or she, or his or her designee, shall serve as an ex-officio, non-voting member of the Board:

- (1) Chief of Staff, Mayor's Office;
- (2) Director of the City Department of Public Works and Engineering;
- (3) City Attorney;
- (4) Director of the City Planning and Development Department;
- (5) Chairman of the Board of the Metropolitan Transit Authority of Harris County; and
- (6) Chair of the City Council Fiscal Affairs and Management Initiatives Committee.

In addition, the Board of Directors of the Authority may designate one or more representatives of the Spring Branch Independent School District, Harris County, Houston Community College or other political subdivisions as ex officio, non-voting members of the Board of Directors.

All other matters pertaining to the internal affairs of the Authority shall be governed by the Bylaws of the Authority, so long as such Bylaws are not inconsistent with these Articles of Incorporation, or the laws of the State of Texas.

ARTICLE VII

The street address of the initial registered office of the Authority is Knudson & Associates, 8588 Katy Freeway, Suite 441, Houston, Texas 77024, and the name of its initial registered agent at such address is Patricia Joiner.

ARTICLE VIII

The number of Directors initially constituting the Board is five (5). The names, addresses, and positions of the five (5) initial Directors, each of whom resides within the City, are:

<u>POS. NO.</u>	<u>NAME</u>	<u>ADDRESS</u>
1	Charles S. Turet, Jr.	12454 Barryknoll, Houston, TX 77024
2	Ronald L. Height	1907 Shadowdale Drive, Houston, TX 77043
3	[VACANT]	
4	Robert M. Bryant	2931 Quincannon, Houston, TX 77043
5	Terry S. Cheng	3525 Sage, Number 1615, Houston, TX 77056

ARTICLE IX

The names and street addresses of the incorporators, each of whom resides within the City, are:

<u>NAME</u>	<u>ADDRESS</u>
Charles S. Turet, Jr.	12454 Barryknoll, Houston, TX 77024
Sue Darcy	8588 Katy Freeway, Suite 441, Houston, TX 77024
Trey Lary	1001 Fannin Street, Suite 2300, Houston, TX 77002

ARTICLE X

Resolution No. 2002-0026 approving the form of these Articles of Incorporation has been adopted by the City Council of the City on August 14, 2002.

ARTICLE XI

No Director shall be liable to the Authority for monetary damages for an act or omission in the Director's capacity as a Director, except for liability (i) for any breach of the Director's duty of loyalty to the Authority, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) for any transaction from which the Director received

an improper benefit, whether or not the benefit resulted from an act taken within the scope of the Director's office, or (iv) for acts or omissions for which the liability of a Director is expressly provided by statute. Any repeal or amendment of this Article by the Directors shall be prospective only, and shall not adversely affect any limitation on the personal liability of a Director existing at the time of such repeal or amendment. In addition to the circumstances in which a Director is not personally liable as set forth in the preceding sentences, a Director shall not be liable to the fullest extent permitted by any amendment to the Texas statutes hereafter enacted that further limits the liability of a Director.

ARTICLE XII

In accordance with the provisions of Section 501(c)(3) of the Code, and regardless of any other provisions of these Articles of Incorporation or the laws of the State of Texas, the Authority: (a) shall not permit any part of the net earnings of the Authority to inure to the benefit of any private individual (except that reasonable compensation may be paid for personal services rendered to or for the Authority in effecting one or more of its purposes); (b) shall not devote more than an insubstantial part of its activities to attempting to influence legislation by propaganda or otherwise; (c) shall not participate in, or intervene in (including the publication or distribution of statements), any political campaign on behalf of any candidate for public office; and (d) shall not attempt to influence the outcome of any election for public office or to carry on, directly or indirectly, any voter registration drives. Any income earned by the Authority after payment of reasonable expenses, debt and establishing a reserve shall accrue to the City.

The City shall, at all times, have an unrestricted right to receive any income earned by the Authority, exclusive of amounts needed to cover reasonable expenditures and reasonable reserves for future activities. Unless otherwise directed by the City, any income of the Authority received by the City shall be deposited into the Reinvestment Zone Number Seventeen, City of Houston, Texas, Tax Increment Fund, or its successor. No part of the Authority's income shall inure to the benefit of any private interests.

If the Board of Directors determines by resolution that the purposes for which the Authority was formed have been substantially met and all bonds issued by and all obligations incurred by the Authority have been fully paid, the Board shall execute a certificate of dissolution which states those facts and declares the Authority dissolved in accordance with the requirements of Section 394.026 of Texas Local Government Code, or with applicable law then in existence. In the event of dissolution or liquidation of the Authority, all assets will be turned over to the Finance and Administration Department of the City, or its successor, for deposit into the Reinvestment Zone Number Seventeen, City of Houston, Texas, Tax Increment Fund unless the City Council shall otherwise direct.

If required by a contract between the City, the Authority and the Memorial City TIRZ, any capital project(s) of the Authority as well as all plans and specifications of any improvement to be made by the Authority shall be approved by the Director of the Department of Public Works and Engineering of the City.

ARTICLE XIII

If the Authority is a private foundation within the meaning of Section 509(a) of the Code, the Authority: (a) shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Code; (b) shall not engage in any act of self-dealing as defined in Section 4941(d) of the Code; (c) shall not retain any excess business holdings as defined in Section 4943(c) of the Code; (d) shall not make any investments in such manner as to subject it to tax under Section 4944 of the Code; and (e) shall not make any taxable expenditures as defined in Section 4945(d) of the Code.

ARTICLE XIV

The City Council may at any time consider and approve an ordinance directing the Board to proceed with the dissolution of the Authority, at which time the Board shall proceed with the dissolution of the Authority in accordance with applicable state law. The failure of the Board to proceed with the dissolution of the Authority in accordance with this Section shall be deemed a cause for the removal from office of any or all of the Directors as permitted by Article VI of these Articles of Incorporation.

ARTICLE XV

These Articles may not be changed or amended unless approved by the City Council of the City.

IN WITNESS WHEREOF, we have hereunto set our hands this 24th day of July, 2002.

Charles S. Turet, Jr.
Charles S. Turet, Jr.

Sue Darcy
Sue Darcy

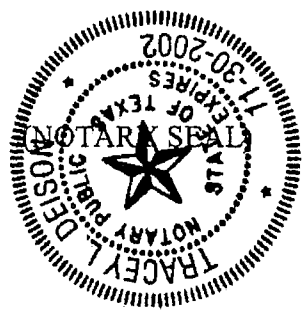
Trey Lary
Trey Lary

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared Charles S. Turet, Jr., known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 24th day of July 2002.

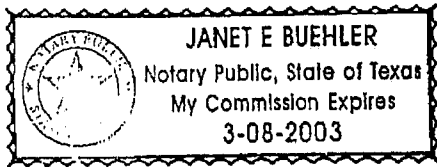
Tracey L. Dison
Notary Public in and for
The State of Texas



THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared Sue Darcy, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 24th day of July, 2002.



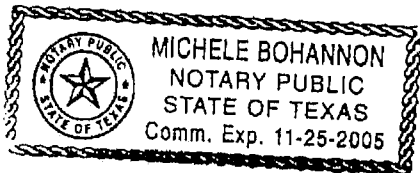
(NOTARY SEAL)

Janet E. Buehler
Notary Public in and for
The State of Texas

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared Trey Lary, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 24th day of July, 2002.



(NOTARY SEAL)

Michele Bohannon
Notary Public in and for
The State of Texas