

EXHIBIT A

ORDINANCE AUTHORIZING THE CREATION OF AN INDUSTRIAL DEVELOPMENT CORPORATION OF THE CITY OF LEAGUE CITY AS AN INSTRUMENTALITY OF THE CITY OF LEAGUE CITY, TEXAS; APPOINTING THE INITIAL BOARD OF DIRECTORS OF SAID CORPORATION; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LEAGUE CITY:

Section 1: The creation of the Corporation is hereby authorized and approved as an industrial development corporation under Section 4B of the Act.

Section 2: The Corporation is hereby designated as a duly constituted authority and instrumentality of the City (within the meaning of those terms and the regulations of the United States Department of Treasury and rulings of the Internal Revenue Service prescribed and promulgated pursuant to Section 103 of the Internal Revenue Code of 1954, as amended (the "Code")) and shall be authorized to act on behalf of the City for the specific public purposes specified in Section 4B of the Act, including, but not limited to, the promotion and development of amateur sports complexes; the Corporation is not intended to be and shall not be a political subdivision or a political corporation within the meaning of the Constitution and laws of the State of Texas, including, without limitation, Article III, Section 52 of the Texas Constitution, and the City does not delegate to the Corporation any of its attributes of sovereignty, including the power to tax, the power of eminent domain and the police power.

Section 3. The Corporation may, under the conditions set forth in this Ordinance, issue obligations on behalf of the City, acquire, lease, sell or convey certain properties and make loans for the promotion and development of commercial, industrial and manufacturing enterprises and to contract with entities, public and private, to accomplish the projects authorized by Section 4B of the Act, including, but not limited to, the promotion and development of amateur sports complexes. The City shall not lend its credit or grant any public money or thing of value in aid of the Corporation. Furthermore, obligations issued by the Corporation with the approval of the City shall be deemed not to constitute a debt of the State of Texas, the City or of any other political corporation, subdivision or agency of the State of Texas or a pledge of the faith and credit of any of them, but such obligations shall be payable solely from the funds herein provided. The Corporation shall not be authorized to incur financial obligations which cannot be paid from proceeds of the obligations or from revenues realized from the lease or sale of a project or realized from a loan made by the Corporation to finance or refinance in whole or in part a project, or from the sales tax revenues approved by the voters of the City pursuant to the Act. "Project" shall have the meaning set forth in Section 4B of the Act.

Section 4. The Articles of Incorporation of the Corporation and Bylaws of the Corporation, in the forms attached to this Ordinance as Exhibits C and D, are hereby approved for use and adoption by the Corporation; provided, however, that any amendments to the Articles of Incorporation or Bylaws shall be subject to further approval by the City Council of the City.

Section 5. The City Council of the City shall approve, by a written ordinance, any agreement to issue, or resolution agreeing to issue, bonds, including refunding bonds, adopted by the Corporation, which agreement or resolution shall set out the amount and purposes of the bonds. Furthermore, no issue of bonds, including refunding bonds shall be sold and delivered by the Corporation without a written ordinance of the City Council of the City adopted not more than sixty (60) days prior to the date of the sale of the bonds specifically approving the resolution of the Corporation providing for the issuance of the bonds.

Section 6. Upon dissolution of the Corporation, the City shall accept title to, other interests in, any real or personal property owned by the Corporation at such time.

Section 7. This Ordinance is adopted for the purpose of satisfying the conditions and requirements of the Act and of Section 103 of the Code and the regulations prescribed thereunder from time to time and for the benefit of the Corporation, the City, the owners or holders from time to time of the obligations of the Corporation and all other interested persons.

ORDINANCE NO. 94-54

EXHIBIT B

Petition

PETITION
FOR CREATION OF AN INDUSTRIAL DEVELOPMENT CORPORATION
OF THE CITY OF LEAGUE CITY, TEXAS

We, the undersigned qualified electors of the City of League City, Texas (the "City"), each of whom is at least eighteen (18) years of age, hereby request the City Council of the City to authorize and approve by Ordinance, pursuant to Texas Revised Civil Statutes, Article 5190.6, Section 4B (the "Act"), the creation of the City of League City Section 4B Industrial Development Corporation (the "Corporation") to act on behalf of the City to engage in projects as authorized by Section 4B of the Act, including, but not limited to, the promotion and development of amateur sports complexes. We request that the governing body approve the attached Articles of Incorporation to be used in organizing the Corporation and the attached Bylaws to be used in governing the internal affairs of the Corporation.

IN WITNESS WHEREOF, we have hereunto set our hands this 26th day of

May, 1994.

Name

Address

Christine Lawler-Moagymba
[Signature]
Edward Soole

303 Meadow Wood Ct
League City, Texas 77573
2916 Lourida St
League City, TX 77573
1901 Bacon Drive
League City, TX 77573

THE STATE OF TEXAS

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COUNTIES OF GALVESTON AND HARRIS

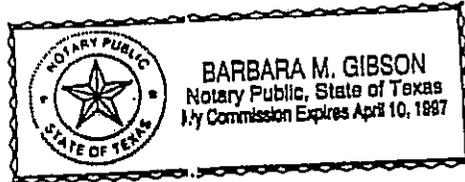
I, the undersigned, a notary public, do hereby certify that on this the 26th day of May, 1994, personally appeared before me Christine Aurora Macys and Edward R. ..., who each being by me first duly sworn, severally declared that they are the persons who signed the foregoing Petition as incorporators, and that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 26th day of May, 1994.

Barbara M. Gibson
NOTARY PUBLIC in and for
the State of Texas

My Commission Expires:
4-10, 1997

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ORDINANCE NO. 94-54

EXHIBIT C

Articles of Incorporation



The State of Texas

SECRETARY OF STATE

CERTIFICATE OF INCORPORATION
OF

CITY OF LEAGUE CITY SECTION 4B INDUSTRIAL DEVELOPMENT
CORPORATION
CHARTER NO. 1314298-01

The undersigned, as Secretary of State of Texas, hereby certifies that the attached Articles of Incorporation for the above named corporation have been received in this office and are found to conform to law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the Secretary by law, hereby issues this Certificate of Incorporation.

Issuance of this Certificate of Incorporation does not authorize the use of a corporate name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

Dated: June 6, 1994
Effective June 6, 1994



Donald Kirk

ARTICLES OF INCORPORATION
OF
CITY OF LEAGUE CITY SECTION 4B
INDUSTRIAL DEVELOPMENT CORPORATION

FILED
In the Office of the
Secretary of State of Texas
JUN 06 1994
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 League City, Texas (the "City") and a citizen of the State of Texas, acting as incorporators of a corporation under the provisions of Article 5190.6, Section 4B, Vernon's Texas Civil Statutes, as amended (the "Act"), do hereby adopt the following Articles of Incorporation for such corporation.

ARTICLE I

The name of the corporation is CITY OF LEAGUE CITY SECTION 4B INDUSTRIAL DEVELOPMENT CORPORATION.

ARTICLE II

The Corporation is a public non-profit corporation.

ARTICLE III

The period of its duration is perpetual.

ARTICLE IV

The Corporation is organized for the purpose of aiding, assisting and acting on behalf of the City in the undertaking, completing and financing of projects, as defined in the Act.

The Corporation is formed pursuant to, and will be governed by, the provisions of Section 4B of the Act which authorizes the Corporation to assist and act on behalf of the City and to engage in activities in the furtherance of the purposes of its creation.

The Corporation shall have all powers provided to a Section 4B Corporation by the Act.

The Corporation may issue bonds on behalf of the City to defray all or part of the cost of any project.

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 Act including, without limitation, Article 1396, Vernon's Texas Civil Statutes, as amended.

The Corporation 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 Corporation 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.

The Corporation 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, Civil Practice and Remedies Code. The operations of the Corporation are governmental and not proprietary functions for purposes of the Texas Tort Claims Act, Section 101.001 et seq., Civil Practice and Remedies Code.

ARTICLE V

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

ARTICLE VI

All powers of the Corporation shall be vested in a Board consisting of seven (7) persons. Directors of the Corporation ("Director" or "Directors") shall be appointed by position to the Board. Each initial Director named in Article VIII hereof shall serve for the term expiring on the date set forth in Article VIII. Subsequent Directors shall be appointed by the governing body of the City. Each subsequent Director shall serve for a term of two (2) years or until his or her successor is appointed by the governing body of the City unless such Director has been appointed to fill an unexpired term in which case the term of the Director shall expire on the expiration date of the term of the Director whose position he or she was appointed to fill. Any Director may be removed from office at any time, with or without cause, by the governing body of the City. The number of Directors may only be increased or decreased by an amendment to these Articles of Incorporation as authorized by amendment of the Act.

To be qualified to serve as a Director, a person must be a resident of the City and be at least 18 years of age.

All other matters pertaining to the internal affairs of the Corporation shall be governed by the Bylaws of the Corporation, 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 Corporation is 300 West Walker, League City, Texas 77573, and the name of its initial registered agent at such address is Joe L. Lamb.

ARTICLE VIII

The number of Directors constituting the Board is seven (7). The names, positions, and terms of office of the initial Directors, each of whom resides within the City, are:

<u>Position</u>	<u>Name</u>	<u>Address</u>	<u>Term</u>
1	Al Barringer	214 Driftwood	06-02-94 to 06-02-96
2	Larry J. Casper	2916 Laurelridge	06-02-94 to 06-02-96
3	Howard L. Jones	2110 Pebble Beach	06-02-94 to 06-02-96
4	Dennis E. O'Neal	1901 Acacia	06-02-94 to 06-02-96
5	Christine K. Moczygemba	303 Meadow Wood Court	06-02-94 to 06-02-96
6	Edward V. Sebesta	403 Bull Run	06-02-94 to 06-02-96
7	Michael L. Wilson,	2027 Caravel	06-02-94 to 06-02-96

All in the City of League City, Texas.

The ex-officio board members are Rodolfo "Rudy" Reyes, S.G. (Tommy) Parr, and Elaine Kosty.

ARTICLE IX

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

<u>NAME</u>	<u>ADDRESS</u>
Christine Klawun-Moczygemba	303 Meadow Wood Court League City, TX 77573
Larry J. Casper	2916 Laurelridge League City, TX 77573
Edward Poole	1901 Acacia Drive League City, TX 77573

ARTICLE X

No director shall be liable to the Corporation for monetary damages for an act or omission in the Director's capacity as a Director, except that the provisions of this Article X shall not eliminate or limit the liability of a director for:

- (i) a breach of the Director's duty of loyalty to the Corporation;

(ii) an act or omission not in good faith that constitutes a breach of a duty of the director to the Corporation or that involves intentional misconduct or a knowing violation of the law;

(iii) a 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;

(iv) an act or omission for which the liability of a Director is expressly provided by applicable statute; or

(v) an act related to an unlawful distribution of the assets of the Corporation.

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 Texas statutes hereafter enacted that further limits the liability of a Director, without the necessity of further action by the Corporation or the Board to modify the provisions of this Article X.

ARTICLE XI

In accordance with the provision of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") and regardless of any other provisions of these Articles of Incorporation or the laws of the State of Texas, the Corporation: (a) shall not permit any part of the net earnings of the Corporation to inure to the benefit of any private individual (except that reasonable compensation may be paid for personal services rendered to or for the Corporation in effecting one or more of its purposes); (b) shall not direct any 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 Corporation 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 Corporation, exclusive of amounts needed to cover reasonable expenditures and reasonable reserves for future activities. Unless otherwise directed by the City, any income of the Corporation received by the City shall be deposited into the Amateur Sports Facilities Fund, its successor, or such other funds as shall be designated by the City Council from time to time. No part of the Corporation'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 Corporation was formed have been substantially met and all bonds issued by and all obligations

incurred by the Corporation have been fully paid, the Board shall execute a certificate of dissolution, which states those facts and declares the Corporation dissolved in accordance with the requirements of the Act, or with applicable law then in existence. In the event of dissolution or liquidation of the Corporation, all assets will be turned over to the City.

ARTICLE XII

If the Corporation is a private foundation within the meaning of Section 509(a) of the Code, the Corporation: (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 XIII

On June 2, 1994, the City Council of the City duly adopted an ordinance approving the form of these Articles of Incorporation and approving the creation of the Corporation.

IN WITNESS WHEREOF, we have hereunto set our hands this 26th day of May, 1994.

Christine Kawan-McGee

John J. Cooper

Edward Boole

THE STATE OF TEXAS

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COUNTIES OF GALVESTON AND HARRIS

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 26th day of May, 1994.

Barbara M. Gibson

Notary Public in and for
the State of Texas

My Commission Expires: 4-10-97

THE STATE OF TEXAS

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COUNTIES OF GALVESTON AND HARRIS

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 26th day of May, 1994.

Barbara M. Gibson

Notary Public in and for
the State of Texas

My Commission Expires: 4-10-97

THE STATE OF TEXAS

COUNTIES OF GALVESTON AND HARRIS

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 26th day of May, 1994.

Barbara M. Gibson
Notary Public in and for
the State of Texas

My Commission Expires: 4-10-97

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