

Morgan's Point Resort, Texas

ARTICLE 1.04. - DEVELOPMENT CORPORATION

- Sec. 1.04.001. - Findings.

(The Development Corporation Act of 1979, article 5190.6, Texas Revised Civil Statutes, as amended (the
a "Act") authorizes the City to create and administer a development corporation to act on behalf of the City
} in the promotion and development of new and expanded business enterprises, including certain projects,
} as defined in the Act.

(The corporation has been or will be created and organized as a Texas nonprofit corporation pursuant to
b the provisions of the Act.

(The City has not created another corporation to be governed by the Act.

(^cThe City Council has reviewed and approved the articles of incorporation and approves the creation of
d the corporation, as a non-for-profit entity, as its constituted authority and instrumentality to accomplish the
} specific purpose of promotion and development of new and expanded business enterprises, including
} certain projects, to promote and encourage employment and the public welfare.

(The immediate creation of the corporation is necessary for the purposes set out above.

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) (Ord. No. 4-33, § 1, 1-18-11)

- Sec. 1.04.002. - Creation.

The corporation is hereby authorized and approved for creation as a development corporation under the provisions of the Act.

(Ord. No. 4-33, § 2, 1-18-11)

- Sec. 1.04.003. - General powers.

The corporation is hereby designated as a duly constituted authority and instrumentality of the City (within the meaning of those terms in 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 1986, as amended) and shall be authorized to act on behalf of the City for the specific public purposes of the promotion and development of industrial and manufacturing enterprises to promote and encourage employment and public welfare; but 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 the laws of the State, including, without limitation, Article III, Section 52 of the State constitution, and the unit 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.

(Ord. No. 4-33, § 3, 1-18-11)

- Sec. 1.04.004. - Authority to issue obligations, acquire and sell property, and make loans.

The corporation may, under the conditions set forth in this Article, issue obligations on behalf of the unit, acquire, lease, sell or convey certain properties and make loans for the promotion and development of commercial, industrial and manufacturing enterprises to promote and encourage employment and the public welfare, including new and expanded manufacturing, industrial and commercial enterprises, to the extent provided in the Act. The unit shall not lend its credit or grant any public money or thing of value in aid of the corporation, except under a contract authorized by V.T.C.A., Local Government Code § 380.002. Furthermore, obligations issued by the corporation with the approval of the unit shall be deemed not to constitute a debt of the State, of the unit or of any other political corporation, subdivision or agency of the State 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. "Project" shall have the same meaning as given in the Act.

(Ord. No. 4-33, § 4, 1-18-11)

- Sec. 1.04.005. - Governing documents.

The articles of incorporation of the corporation and the bylaws of the corporation, in the forms attached to **Ordinance 4-33**, 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 the further approval of the governing body. However, the City Attorney of the governing body may authorize any ministerial changes to the bylaws as is necessary to make such bylaws prior to the adoption of the same by the corporation consistent with the purposes and intent of this Article.

(Ord. No. 4-33, § 5, 1-18-11)

- Sec. 1.04.006. - Term of directors.

The Directors appointed shall serve two-year staggered terms. During the initial meeting of the Board of Directors, the Directors shall select, by lottery, which three of the members shall serve an initial one-year term and which four members shall serve an initial two-year term. Terms shall end on December 31 of each year.

(Ord. No. 4-33, § 6, 1-18-11)

- Sec. 1.04.007. - Dissolution.

Upon dissolution of the corporation, the dissolution proceedings shall transfer title to all funds and properties then owned by the corporation at such time to the City.

(Ord. No. 4-33, § 7, 1-18-11)

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