

ARTICLES OF INCORPORATION
OF
DOWNTOWN MOBILE DISTRICT MANAGEMENT CORPORATION

BE IT KNOWN THAT the undersigned, acting as incorporator of Downtown Mobile District Management Corporation, a nonprofit corporation formed pursuant to the Alabama Nonprofit Corporation Act, Sections 10-3A-1, *et seq.*, *Code of Alabama* (1975) (the “Alabama Nonprofit Corporation Act”) and Act No. 2004-382 of the Legislature of the State of Alabama (the “Self-Help Business Improvement District Act”), does hereby adopt the following Articles of Incorporation:

Article I
Name

The name of the corporation is Downtown Mobile District Management Corporation (the “Corporation”).

Article II
Period of Duration

The period of duration of the Corporation is perpetual unless and until it is hereafter lawfully dissolved.

Article III
Purposes

A. The Corporation is organized exclusively to promote social welfare within the meaning of Section 501(c)(4) of the Internal Revenue Code of 1986, as amended (the “Code”). In furtherance of such purpose, the Corporation is organized and will be primarily operated as follows:

(1) The Corporation is organized as a district management corporation representing real property owners within a self-help business improvement district which shall be located within the City of Mobile, Alabama (the “District”), and established pursuant to the Self-Help Business Improvement District Act and an ordinance to be hereafter adopted by the City of Mobile as required by the Self-Help

Business Improvement District Act (the “Business Improvement District Ordinance”).

(2) The purpose of the Corporation is to assist the City of Mobile, the County of Mobile, the property owners within the District and the public in promoting economic growth and development, employment and general welfare within, and preserving and enhancing the function and appearance of, that certain geographical area comprising the District, as shall be more particularly described in the Business Improvement District Ordinance.

(3) The Corporation will execute self-help programs to improve the local business climate and provide administrative and other supplemental services to benefit businesses, employees, residents and consumers within the District.

B. Notwithstanding any other provision of these Articles of Incorporation, the Corporation shall not be operated or carry on any activities, and no part or portion of the assets or net earnings of the Corporation shall be used, for any purposes not permitted for an organization exempt from federal income taxation under Section 501(c)(4) of the Code or the corresponding provisions of any subsequent federal law.

C. The Corporation is not organized for pecuniary profit and shall not be operated for the primary purpose of carrying on a trade or business for a profit.

Article IV **Powers**

A. As a means of accomplishing the purposes of the Corporation, the Corporation shall have all of the common law and statutory powers of a nonprofit corporation organized under the Alabama Nonprofit Corporation Act pursuant to the provisions of the Self-Help Business Improvement District Act, including, without limitation, the power to:

(1) Adopt by-laws for the regulation of its affairs and the conduct of its business and to prescribe rules, regulations, and policies in connection with the performance of its functions and duties;

(2) Employ persons as may be required, and fix and pay their compensation from funds available to the Corporation;

(3) Apply for, accept, administer and comply with the requirements respecting an appropriation of funds or a gift, grant or donation of property or money;

(4) Make and execute agreements which may be necessary or convenient to the exercise of the powers and functions of the Corporation, including

contracts with any person, firm, corporation, governmental agency or other entity;

(5) Administer and manage corporate funds and accounts and pay corporate obligations;

(6) Borrow money from private lenders or from governmental entities;

(7) Enforce the conditions of any loan, grant, sale or lease made by the Corporation;

(8) Provide security, sanitation and other services to the District supplemental to those provided by the City of Mobile;

(9) Advertise the District and the businesses included within the District;

(10) Recruit new businesses to fill vacancies in the District;

(11) Organize and promote special events in the District;

(12) Provide special parking arrangements or management of ongoing parking programs for the District;

(13) Participate in other governmental programs for which the Corporation is qualified and which are included in the Corporation's self-help business improvement plan prepared pursuant to the Self-Help Business Improvement District Act.

(14) Undertake other activities or initiatives within the District as the Board of Directors of the Corporation deems appropriate and which are not inconsistent with these Articles of Incorporation.

B. The specific powers described herein are not intended to limit or restrict in any manner the general powers of the Corporation; provided, however, that the powers of the Corporation shall be exercised solely and exclusively to advance the purposes of the Corporation as described in these Articles of Incorporation and in such manner as is not prohibited by the Self-Help Business Improvement District Act or the Business Improvement District Ordinance.

C. Notwithstanding any other provision of these Articles of Incorporation, the Corporation's powers may not be exercised in any manner not permitted for an organization exempt from federal income taxation under Section 501(c)(4) of the Code

or the corresponding provisions of any subsequent federal law.

Article V
Limitations Concerning Use of Funds

A. No funds received by the Corporation from assessments on the real property located in the District shall be expended except in accordance with the budget adopted or amended pursuant to the provisions of the Self-Help Business Improvement District Act.

B. No part of the net earnings of the Corporation shall inure to the benefit of or be distributed to the Corporation's directors, officers, or other private persons, and no private person shall be entitled to share in the distribution of any of the corporate assets on dissolution of the Corporation; provided, however, that persons rendering services to the Corporation to enable it to carry out the purposes for which it is organized may be paid reasonable compensation for such services and may be reimbursed for expenses actually incurred in the performance of such services, as approved by the Board of Directors.

C. The Corporation shall not have or issue any shares of stock and shall not pay any dividends.

D. The Corporation shall not make loans to any of its officers or directors.

Article VI
Membership

The following shall be entitled to designate one owner or other representative who shall be a member of the Corporation:

(1) The owner or owners of each parcel of real property located in the District that is not exempt from the special assessment levied pursuant to the Self-Help Business Improvement District Act and the Business Improvement District Ordinance; and

(2) The owner or owners of each parcel of real property located in the District that is exempt from the special assessment levied pursuant to the Self-Help Business Improvement District Act and the Business Improvement District Ordinance but who voluntarily pay such special assessment.

The member designated by the owner or owners of each such parcel of real property shall represent all of the owner or owners of such parcel. Such designation shall be made, and may be revoked, as provided in the By-Laws of the Corporation. The

voting rights and other rights and privileges of the members shall be as provided in the By-Laws of the Corporation.

Article VII
Board of Directors

A. A Board of Directors shall manage the property, business and affairs of the Corporation. The number of directors shall be fixed by the By-Laws of the Corporation, and may be increased or decreased from time to time by amendment of the By-Laws, but in no case shall the number be less than three (3).

B. The initial Board of Directors shall consist of sixteen (16) members. The names and addresses of the initial directors and their initial terms of office are set forth in Section F of this Article. Upon the expiration of each director's initial term of office set forth in Section F of this Article, his or her successor shall be elected by a majority vote of the members of the Corporation present after notice by first class mail, and shall hold office for a term of three (3) years. Vacancies on the Board of Directors resulting from death, resignation or removal shall be filled by the affirmative vote of a majority of the remaining members of the Board of Directors for the unexpired portion of the term.

C. A majority of the members of the Board of Directors must be owners, or designated representatives of owners, of a fee or undivided fee interest in real property located in the District.

D. Municipal representatives designated by the Mayor of the City of Mobile, and by its City Council shall be authorized to attend and participate in regular and called meetings of the Board of Directors of the Corporation, but shall not vote on any matters considered by the Board of Directors.

E. A director shall not receive any compensation for his or her service as a director, but shall be entitled to receive reimbursement for expenses actually incurred in the performance of his or her duties as approved by the Board of Directors.

F. The names, addresses and terms of office of the initial members of the Board of Directors are as follows:

<u>Name</u>	<u>Address</u>	<u>Initial</u>
Brian Metcalfe	Metcalfe & Company, Inc. P. O. Box 2903 Mobile, AL 36652	1 Year

John Klotz	The Three Fifty Corporation 959 Dauphin Street Mobile, AL 36604	1 Year
Zemmie Murray	Richard Murray & Co. P. O. Box 30 Mobile, AL 36601	1 Year
Joe Mareno	Mobile Area Chamber of Commerce P. O. Box 2187 Mobile, AL 36652-2187	1 Year
Dr. George Sinclair	Government Street Presbyterian Church 300 Government Street Mobile, AL 36602	1 Year
Rudy Baugh Years	Regions Bank P. O. Drawer 2527 Mobile, AL 36622	2
John Peebles	Peebles & Cameron P. O. Box 1766 Mobile, AL 36633	2 Years
Bill Monahan	300 East Delwood Drive Mobile, AL 36606	2 Years
David Constantine	Lyons, Pipes & Cook, PC P. O. Box 2727 Mobile, AL 36652	2 Years
Kenneth E. Coleman Years	Alabama Power Company P. O. Box 2247 Mobile, AL 36652	2
Lee Moncrief Years	Wachovia	2

P.O. Box 1508
Mobile, AL 36633

Joe Toole	The Retirement Systems of Alabama P. O. Box 302150 Montgomery, AL 36130	3 Years
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Scott Gonzalez	Three Georges Southern Chocolates P. O. Box 2206 Mobile, AL 36652	3 Years
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Ruby Moore Years	Spot of Tea 310 Dauphin Street Mobile, AL 36602	3
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Howard Bronson Years	Mobile Register P. O. Box 2488 Mobile, AL 36652	3
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Dee Gambill Years	AmSouth Bank P. O. Box 1628 Mobile, AL 36633	3
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Article VIII
By-Laws

The initial By-Laws of the Corporation shall be adopted by a majority vote of the initial members of the Board of Directors of the Corporation. The power to amend the By-Laws or to repeal the By-Laws and adopt new By-Laws shall be vested exclusively in the Board of Directors of the Corporation.

Article IX
Public Meetings and Suggestions

A. The Corporation shall hold a general membership and public meeting at least once per year, appropriately advertised in the District at a place convenient to persons concerned with the operation of the District.

B. The Corporation shall receive written suggestions from businesses in the District at any time.

Article X

Dissolution or Withdrawal of Designation as District Management Corporation

Upon dissolution, or upon withdrawal of the Corporation's designation as the district management corporation pursuant to the Self-Help Business Improvement District Act and the Business Improvement District Ordinance, all interests in and title to funds held by or for the Corporation, and all property of the Corporation shall be transferred and assigned to a successor district management corporation established pursuant to such Act, or if no successor district management organization exists, to the general fund of the City of Mobile, for use in funding the programs as the Board of Directors of the Corporation shall direct and designate.

Article XI

Liability

Pursuant to Section 10-11-1, *et. seq.*, *Code of Alabama* (1975), all noncompensated officers of the Corporation shall be immune from suit and not subject to civil liability arising from the conduct of the affairs of the Corporation except when the act or omission of such officer, which gives rise to a cause of action, amounts to willful or wanton misconduct or fraud, or gross negligence. For purposes of this Article, the term "officer" shall include the Corporation's officers, directors and trustees, and the members of any other governing body of the Corporation.

Article XII

Registered Office and Agent

The location and mailing address of the initial registered office of the Corporation and the name of the initial registered agent of the Corporation at such address is:

[To Be Determined]

Article XIII

Incorporator

The name and address of the incorporator of the Corporation is:

Leah P. Ladd
Armbrecht Jackson LLP
Post Office Box 290
Mobile, Alabama 36601

Article XIII
Amendment of Articles of Incorporation

The power to amend the Articles of Incorporation shall be vested exclusively in the Board of Directors of the Corporation.

IN WITNESS WHEREOF, the incorporator has executed these Articles of Incorporation on this ____ day of _____, 2005.

INCORPORATOR:

Leah P. Ladd

STATE OF ALABAMA)
COUNTY OF MOBILE)

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that Leah P. Ladd, whose name is signed to the foregoing Articles of Incorporation, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, she executed the same voluntarily on the day the same bears date.

Given under my hand and seal this ____ day of _____,
2005.

NOTARY PUBLIC

[AFFIX SEAL]

My Commission Expires: _____

This instrument prepared by:

Leah P. Ladd
ARMBRECHT JACKSON LLP
Post Office Box 290
Mobile, Alabama 36601
(251) 405-1300

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