



The State of Texas

SECRETARY OF STATE

**CERTIFICATE OF INCORPORATION
OF
GREATER BROWNSVILLE COMMUNITY DEVELOPMENT CORPORATION
CHARTER NUMBER 1350448**

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.

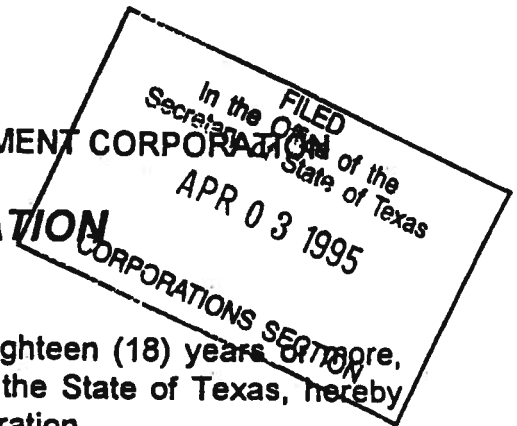
Dated: April 3, 1995
Effective April 3, 1995



Antonio O. Garza, Jr.
Secretary of State

GREATER BROWNSVILLE COMMUNITY DEVELOPMENT CORPORATION

ARTICLES OF INCORPORATION



The undersigned, a natural person of the age of eighteen (18) years, acting as incorporator of a corporation under the laws of the State of Texas, hereby adopts the following Articles of Incorporation for such corporation.

ARTICLE ONE

The name of the Corporation is the Greater Brownsville Community Development Corporation ("Greater Brownsville CDC" or "Corporation").

ARTICLE TWO

The period of its duration is perpetual.

ARTICLE THREE

The purposes for which the Corporation is organized are to transact any or all lawful business for which corporations may be organized under the Texas Business Corporation Act, including, without limitation to:

- A. promote, develop and improve the economic conditions of people in the area of Greater Brownsville, Texas.
- B. encourage and assist through loans, investments and other business transactions, an increase in the investment in small businesses and the supply of jobs including jobs for low to moderate income persons. For small business or economic development activities undertaken by the Corporation, the beneficiaries will be small business, including minority small businesses, and low to moderate income persons who are employed in such businesses.
- C. encourage and assist through loans, investments and other business transactions, an increase in the supply of affordable housing, including housing for low and moderate income persons. For housing activities undertaken by the Corporation, the beneficiaries will include low to moderate income persons who live in the housing financed by the Corporation.
- D. improve through the cooperative efforts of the banking institutions, which are shareholders of this corporation, economic conditions in the area.

In order to carry out this corporation's purposes, it shall have all powers given to corporations under the laws of Texas. The Corporation shall engage only in those activities which are legally permissible for a Community Development Corporation under the policies established in 12 CFR Part 24 and by the Office of the Comptroller of the Currency (OCC), the State of Texas Department of Banking and other relevant regulatory authorities.

ARTICLE FOUR

- A. The Corporation shall have the authority to issue 10,000,000 shares of common stock with a par value of \$1.00 per share.
- B. Each investor of at least \$100,000.00 may annually appoint one investor member to the board. The initial commitment to invest of each investor must be \$100,000.00 or more. Each shareholder may remove and replace any director elected by it at any time in the sole discretion of that shareholder, with or without cause.
- C. Community board members will be appointed by the investor board members to equal at least 25% of the total board membership in order to meet the policy guidelines of the Comptroller of the Currency relating to the Corporation's activities being of a predominantly civic, community, or public nature and representation on the Board of Directors by beneficiaries of the Corporation. The community board members will represent small businesses and affordable housing interests in the area.
- D. The Corporation will not commence business until it has received for the issuance of its shares consideration of the value of at least One Thousand and No/100 Dollars (\$1,000.00) consisting of money, labor done, or property actually received.
- E. Except as provided in Article Four, Section B, the right to cumulative votes in the election of directors and/or cumulative voting by any shareholder is expressly denied.

ARTICLE FIVE

- A. A majority of the Board shall constitute a quorum.
- B. Each director shall have one vote, and the act of a majority of Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, except that a vote of two thirds (2/3) of the total number of members of the Board, by board members present or represented by written proxy votes, shall be required for the following

actions: (1) adoption or amendment of the articles of incorporation or bylaws; (2) approval of investments; (3) approval of administrative contracts; or (4) any other action designated in the bylaws as requiring a two thirds (2/3) vote.

- C. The Board shall have the authority to amend the Articles of Incorporation or the Bylaws.

ARTICLE SIX

The street address of the initial registered office of the Corporation is 1150 E. Adams-Second Floor; Brownsville, Texas 78520 and the name of the initial registered agent at such address is Mr. Donald Currie.

ARTICLE SEVEN

The number of Directors constituting the initial Board of Directors is five (5). The names and addresses of the persons who are to serve as initial directors, and who will serve until the first annual meeting of the shareholders or until their successors are elected are:

Gene Gibbs, CEO
Mercantile Bank
835 E. Levee St.
Brownsville, TX 78520

Fred W. Rusteberg, President
International Bank of Commerce
630 E. Elizabeth St.
Brownsville, TX 78520

Irv Downing, Exec. Vice-President
Texas Commerce Bank
1034 E. Levee St.
Brownsville, TX 78520

Lee Kirkpatrick, President
Brownsville National Bank
629 E. Elizabeth St.
Brownsville, TX 78520

Julie Gunter, Vice-President
Bank of America
1925 W. John Carpenter Fwy.-5th Floor
Dallas, TX

ARTICLE EIGHT

If the Board of Directors shall determine to increase the authorized stock of the Corporation, shareholders have pro-rata preemptive rights to the purchase of additional stock in the Corporation.

ARTICLE NINE

Any action which may or must be taken at a meeting of shareholders or the Board may be taken without a meeting, without prior notice, and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holder or holders of all shares entitled to vote on the action or all Board members, as appropriate.

ARTICLE TEN

The initial bylaws shall be adopted by the shareholders. The Board may amend or repeal the Bylaws or adopt new bylaws, unless Texas law or a particular bylaw expressly provides that the Board may not amend or repeat that bylaw.

ARTICLE ELEVEN

The Board shall not authorize or declare any dividend or distribution with respect to any shares of the Corporation during the first three (3) years of its operation. Any dividends from the Corporation shall be used by any shareholders that are national banks to primarily promote the public welfare as determined by 12 CFR Part 24 and the Office of the Comptroller of the Currency (OCC). Upon receipt of any Greater Brownsville CDC dividends, the national bank shareholders shall notify the OCC regarding their proposed use and shall not carry out their dividend investment plans without receiving prior written approval from the OCC.

ARTICLE TWELVE

The Corporation shall indemnify its directors and officers to the full extent permitted by Article 2.02-1 of the Texas Business Corporation Act now or hereafter in force, including the advance of related expenses, upon a determination by the Board of Directors or independent legal counsel (who may be regular counsel for the Corporation) made in accordance with applicable statutory standards; and upon authorization by the Board of Directors, the Corporation may indemnify other employees or agents to the same extent. No director or officer of the Corporation shall be liable to the Corporation or to its shareholders for money damages for any breach of any duty owned by such director or officer to the Corporation or any of its shareholders. Neither the amendment or repeal of this Article, nor the adoption of any provision of the Articles of Incorporation inconsistent with this Article, shall eliminate or reduce the protection afforded by this Article, or shall eliminate or reduce the protection afforded by this Article to a director or officer or former director or officer of the Corporation with respect to any matter which occurred or any cause of action, suit or claim which but for this Article would have occurred or arisen, prior to such amendment, repeal, or adoption. The Corporation may purchase and maintain insurance, or make other arrangements for such obligations for such obligations or otherwise, to the extent permitted by Texas statutes.

ARTICLE THIRTEEN

No director of the Corporation shall be liable to the Corporation or to its shareholders for money damages for an act or omission in the director's capacity as a director. This article does not eliminate or limit the liability of a director to the extent the director is found liable for:

- A. a breach of the director's duty of loyalty to the Corporation or its shareholders;
- B. an act or omission not in good faith that constitutes a breach of duty of the director to the Corporation or an act or omission that involves intentional misconduct or a knowing violation of the law;
- C. a transaction from which the director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the director's office; or
- D. an act or omission for which the liability of a director is expressly provided by statute.

This Article Thirteen shall be deemed to incorporate by reference any future amendments to applicable law that further limit or eliminate the personal liability of directors.

Any repeal or modification of all or part of this Article Thirteen by the shareholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification.

ARTICLE FOURTEEN

The name and address of the incorporator is:

Mr. Donald Currie
1150 E. Adams-Second Floor
Brownsville, Texas 78520

IN WITNESS WHEREOF, I have hereunto set my hand this 1st day of April, 1995.



DONALD CURRIE, INCORPORATOR