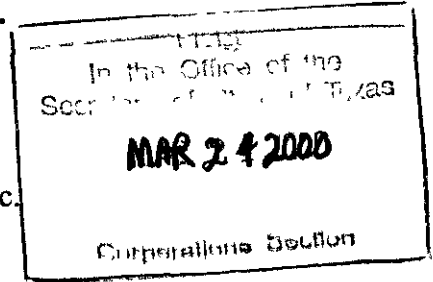


**ARTICLES OF INCORPORATION**

**AUSTIN CONVENTION ENTERPRISES, INC.**



**I**

The name of this Corporation is Austin Convention Enterprises, Inc.

**II**

1 This Corporation is a nonprofit public facility corporation and is not organized for the private gain of any person. The Corporation has no members and is a nonstock corporation. It is organized under Local Government Code Chapter 303, as amended (the "Act") to assist the City of Austin in financing, refinancing, or providing public facilities. The sponsor of the Corporation is the City of Austin, Texas, 124 W Eighth Street, Austin, Texas 78701. The City of Austin, Texas, has specifically authorized the Corporation to act on its behalf to further the public purpose set forth in these Articles of Incorporation, and the City Council of the City of Austin, Texas, has duly approved these Articles of Incorporation.

2 The specific and sole public purpose of this Corporation, subject to the provisions of Article IV of these Articles of Incorporation, is to purchase, own, acquire, construct, equip, encumber, lease and sell, and provide for the operation of, a hotel, parking garage, and related facilities to be located across from the Austin Convention Center (the "Project") and to do all things necessary or convenient to the provision of such Project, their economic and beneficial financing, use and maintenance in the State of Texas (the "State") in order to promote the health, safety and general welfare of the residents of the State, to increase their commerce and industry, to promote their economic development and to advance the efficiency of the citizens of the State and surrounding areas. Specific objectives of the Corporation include the financing of the Project through the sale of revenue indebtedness of the Corporation ("Project Debt") which Project Debt shall not constitute an indebtedness of nor a charge against the full faith, credit or taxing powers of the State or any of its agencies or political subdivisions (including, without limitation, the City of Austin, Texas, or any successor public entity or assignee public entity which succeeds to the functions of the City of Austin, Texas {the "Political Subdivision"}) Upon the retirement or defeasance of any Project Debt issued by the Corporation, all property provided by such Project Debt, and any additions thereto, will be conveyed by the Corporation to the Political Subdivision for a public purpose or upon the direction of the Political Subdivision, to another agency or political subdivision of the State for a public purpose. Notwithstanding anything contained herein to the contrary, this Corporation shall not engage in any business, and it shall have no purpose, unrelated to the Project, and shall not acquire any real property or own assets other than those related to the Project and/or otherwise in furtherance of the purposes of this Corporation.

3. The Corporation shall have no power to, and shall not, issue any Project Debt unless the City Council of the City of Austin (the "Governing Board") first enacts a resolution authorizing such issuance. The Corporation shall have no power to, and shall not, create or incur

CONFIDENTIAL

any indebtedness of, or a charge against the full faith, credit or taxing powers of, the Political Subdivision

4 The affairs of the Corporation shall be managed by a Board of Directors. The number of directors, constituting the initial Board of Directors, shall be five (5). If a Director is an employee of the Political Subdivision, the Director's resignation from employment with the Political Subdivision shall be deemed to be a resignation of that person from the Board of Directors. The names and addresses of the initial Board of Directors are:

Jim Smith, Municipal Building, 124 West 8<sup>th</sup> Street, Austin, Texas, 78701  
John Stephens, Municipal Building, 124 West 8<sup>th</sup> Street, Austin, Texas, 78701  
Robert Hodge, Austin Convention Center, 500 East Cesar Chavez, Austin, Texas 78701  
Joe Canales, Municipal Building, 124 West 8<sup>th</sup> Street, Austin, Texas, 78701  
Sedora Jefferson, 114 West 7<sup>th</sup> Street, Fifth Floor, Austin, Texas 78701

The Governing Board has the power to fill all vacancies on the Board of Directors, to remove any Director for cause or without cause, and to appoint a successor

5 The Corporation shall have, and shall be entitled to exercise, all the powers of every kind lawfully available to a nonprofit public benefit corporation organized under the laws of the State of Texas, provided, however, that the Corporation shall not have the power to, and shall not, do any act or conduct any activity, plan, scheme, design or course of conduct which in any way conflicts with Sections 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1986, as amended, and regulations promulgated pursuant to such sections as they now exist or as they may hereafter be amended (collectively, the "Code").

### III

The name of the Corporation's initial registered agent and address in the State of this Corporation's initial registered office for service of process is

Registered Agent	Robert Hodge, Director, Austin Convention Center Department
Registered Office	500 East Cesar Chavez, Austin, Texas 78701

### IV

The Corporation is not a Corporation organized for profit. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its directors, officers, employees, agents or other private persons except that the Corporation shall be authorized to pay reasonable compensation for services rendered and to make reasonable payments in furtherance of its charitable purposes. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office. Notwithstanding any other provision of these Articles of Incorporation, the Corporation shall not carry on any activities not permitted to be carried on (i) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding

section of any future federal tax code or (ii) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986 or the corresponding section of any future federal tax code Upon the dissolution of the Corporation, all of the Corporation's assets shall be distributed (1) to the Political Subdivision or its successor for a public purpose or (2) at the direction of the Political Subdivision, to another agency or political subdivision of the State for a public purpose or (3) at the direction of the Political Subdivision for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code or the corresponding section of any future federal tax code. The provisions of this Article IV shall supersede any contrary provisions of these Articles of Incorporation.

V.

The property of this Corporation is irrevocably dedicated to charitable purposes and no part of the net income or assets of this Corporation shall ever inure to the benefit of any director, officer, employee or member thereof or to the benefit of any private person or entity

VI.

The duration of the Corporation shall be perpetual.

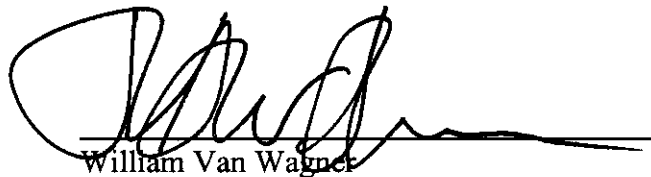
VII

The Governing Board shall have the right to approve by resolution the annual budget of this Corporation, and shall approve by resolution in advance any borrowing transaction including, but not limited to, approval of repayment schedules and procedures.

VIII

These Articles of Incorporation may be amended at any time by the Governing Board at its sole discretion by resolution adopting an amendment to the Articles of Incorporation of the Corporation, or by the Board of Directors of the Corporation with the approval of the Governing Board in an appropriate resolution

IN WITNESS WHEREOF, the undersigned, being the sole incorporator of this Corporation, has executed these Articles of Incorporation, this \_\_\_\_ day of March, 2000



William Van Wagner  
Thompson & Knight L.L.P.  
1700 Pacific Avenue, Suite 3300  
Dallas, Texas 75201



CERTIFICATE OF RESOLUTION

RECEIVED

THE STATE OF TEXAS )
) ss
COUNTY OF TRAVIS )

MAR 24 2000
Secretary of State

I, the undersigned officer of the City of Austin (the "Sponsor") do hereby make and execute this Certificate for the benefit of all persons interested in the validity of all actions and proceedings of the Sponsor. I do hereby certify as follows.

1 I am the duly chosen, qualified and acting officer of the Sponsor for the office shown beneath my signature, and in such capacity I am familiar with the matters contained in this Certificate.

2. The Members of the City Council of the Sponsor convened its meeting on March 2, 2000, and the roll was called of the duly constituted acting Members of the City Council, to-wit:

- Kirk Watson Council Member/Mayor
Jackie Goodman Council Member/Mayor Pro Tem
Gustavo Garcia Council Member
Beverly Griffith Council Member
Willie Lewis Council Member
Daryl Slusher Council Member
Bill Spelman Council Member

and all of said members were present except Council Member Spelman thus constituting a quorum. Whereupon, among other business the following was transacted at said meeting a written

RESOLUTION OF THE CITY OF AUSTIN AUTHORIZING AND APPROVING THE CREATION OF AUSTIN CONVENTION ENTERPRISES, INC., A NON-PROFIT PUBLIC FACILITIES CORPORATION, APPROVING THE ARTICLES OF INCORPORATION AND BYLAWS OF THE AUSTIN CONVENTION ENTERPRISES, INC.; APPROVING THE PURPOSES AND ACTIVITIES OF THE AUSTIN CONVENTION ENTERPRISES, INC.; APPROVING THE APPOINTMENT OF THE INITIAL BOARD OF DIRECTORS FOR THE AUSTIN CONVENTION ENTERPRISES, INC.; APPROVING THE ISSUANCE OF CONVENTION CENTER HOTEL REVENUE BONDS IN ONE OR MORE SERIES BY THE AUSTIN CONVENTION ENTERPRISES, INC., TO FINANCE THE ACQUISITION, CONSTRUCTION, EQUIPPING AND IMPROVEMENT OF A HOTEL AND GARAGE; AUTHORIZING THE GRANT OF A LEASE OF THE LAND UPON WHICH THE CONVENTION CENTER HOTEL IS TO BE CONSTRUCTED TO AUSTIN CONVENTION ENTERPRISES, INC.; APPROVING A CO-TENANCY AGREEMENT, AND AGREEING

TO ACQUIRE THE AUSTIN CONVENTION ENTERPRISES, INC.'S INTEREST IN SUCH HOTEL AND GARAGE UPON THE DISSOLUTION OF THE CORPORATION FOLLOWING RETIREMENT OF ALL OF SUCH CORPORATION'S OBLIGATIONS INCURRED IN CONNECTION THEREWITH

was introduced for the consideration of said City Council. It was then duly moved and seconded that said Resolution be adopted and, after due discussion, said motion, carrying with it the adoption of said Resolution, prevailed and carried by a vote of 6 ayes, 0 nays and 0 abstentions.

3. The attached and following is a true, correct and complete copy of said Resolution, the original of said Resolution is on file in the official records of the Sponsor, and said Resolution has not been amended and is in full force and effect

4. The members of the City Council referred to in paragraph 2 above were the duly qualified and acting members of the City Council of the Sponsor, and each member of the City Council received notice of the meeting of the Sponsor in accordance with the requirements of Chapter 551, Texas Government Code

5. Written notice of the date, hour, place and subject of the meeting of the City Council Members of the Sponsor was posted on a bulletin board located at a place convenient to the public for at least 72 hours preceding the scheduled time of such meeting; such place of posting was readily accessible to the general public at all times from such time of posting until the scheduled time of such meeting; and such meeting was open to the public as required by law at all times during which the Resolution and the subject matter thereof were discussed, considered and formally acted upon, all as required by Chapter 551, Texas Government Code

WITNESS MY HAND AND THE OFFICIAL SEAL OF THE CITY OF AUSTIN, this 2<sup>nd</sup> day of March, 2000

[SEAL]

By Shirley A. Brown  
Shirley A. Brown  
Clerk

RESOLUTION NO. 000302-30

RESOLUTION OF THE CITY OF AUSTIN AUTHORIZING AND APPROVING THE CREATION OF AUSTIN CONVENTION ENTERPRISES, INC., A NON-PROFIT PUBLIC FACILITIES CORPORATION, APPROVING THE ARTICLES OF INCORPORATION AND BYLAWS OF AUSTIN CONVENTION ENTERPRISES, INC.; APPROVING THE PURPOSES AND ACTIVITIES OF AUSTIN CONVENTION ENTERPRISES, INC.; APPROVING THE APPOINTMENT OF THE INITIAL BOARD OF DIRECTORS FOR AUSTIN CONVENTION ENTERPRISES, INC.; APPROVING THE ISSUANCE OF CONVENTION CENTER HOTEL REVENUE BONDS IN ONE OR MORE SERIES BY AUSTIN CONVENTION ENTERPRISES, INC. TO FINANCE THE CONSTRUCTION, RENOVATION AND IMPROVEMENT OF A HOTEL AND GARAGE LOCATED ACROSS THE STREET FROM THE AUSTIN CONVENTION CENTER; AUTHORIZING THE GRANT OF A LEASE OF THE LAND UPON WHICH THE CONVENTION CENTER HOTEL IS TO BE CONSTRUCTED TO AUSTIN CONVENTION ENTERPRISES, INC.; APPROVING A CO-TENANCY AGREEMENT; AND AGREEING TO ACQUIRE AUSTIN CONVENTION ENTERPRISES, INC.'S INTEREST IN SUCH HOTEL AND GARAGE UPON THE DISSOLUTION OF THE CORPORATION FOLLOWING RETIREMENT OF ALL OF SUCH

**CORPORATION'S OBLIGATIONS INCURRED IN CONNECTION THEREWITH**

**WHEREAS**, Local Government Code Chapter 303, as amended (the "Act"), authorizes and empowers the City of Austin, Texas (the "Sponsor") to create a nonprofit public facilities corporation to finance public facilities (as such term is defined in the Act), and to acquire, construct, rehabilitate, renovate, repair, equip, furnish or place in service public facilities; and

**WHEREAS**, the Sponsor desires to authorize and approve the creation of the Austin Convention Enterprises, Inc. (the "Issuer"), a nonprofit public facilities corporation, for the specific purpose of acquiring, constructing, equipping and improving a hotel and garage to be located across the street from the Austin Convention Center (the "Project"), of financing the costs of acquiring and improving the Project, and of operating or providing for the operation of the Project; and

**WHEREAS**, the Act further authorizes the Issuer to issue its bonds for the purpose of defraying all or part of the cost of any public facility, and to enter into agreements related to the construction, renovation and improvements to any public facility; and

**WHEREAS**, the Sponsor desires that the Issuer issue its limited obligation revenue bonds hereinafter described and use the proceeds of the sale thereof to finance the acquisition, construction, equipping and improvement of the Project; and



**WHEREAS**, the Project is necessary and proper for the Sponsor and is in the public interest, and the Project is a “public facility” within the meaning of the Act and is located within the boundaries of the Sponsor; and

**WHEREAS**, in order to provide funds for the Issuer to finance the costs of acquiring, constructing, and improving the Project, the Issuer proposes to issue its Convention Center Hotel Revenue Bonds in the aggregate initial principal amount of not to exceed \$225,000,000 in one or more series (the “Bonds”), pursuant to and in accordance with a resolution duly adopted by the Board of Directors of the Issuer; and

**WHEREAS**, this City Council has been presented with and has examined the Articles of Incorporation and Bylaws for the Issuer and the City Council finds that the form and substance of such Articles of Incorporation and Bylaws are satisfactory, and finds that it is in the best interest of the public and the Sponsor and assists in carrying out the public purpose of the Issuer and of the Act to authorize and approve the incorporation of the Issuer, and to approve of the issuance of the Bonds by the Issuer;

**WHEREAS**, the land upon which the Project will be constructed will be acquired with the proceeds of the Bond sale, conveyed to the City of Austin, and leased to the Issuer; **NOW, THEREFORE,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

1. The Sponsor hereby authorizes and approves of the incorporation of the Issuer, and hereby approves the Articles of Incorporation and Bylaws of the



capitalized interest with respect to the Bonds, to fund a reserve fund for one or more series of the Bonds, to pay for initial working capital needs and to pay for costs of issuing the Bonds. Upon the dissolution of Issuer following payment and defeasance of all Bonds and any other obligations to be issued in the future by the issuer for the Project, the Sponsor hereby agrees to accept all of the Issuer's rights and title in the Project, including any improvements thereon.

4. The actions and obligations authorized in Paragraph 2 of this Resolution shall be subject to and conditioned upon the receipt by the Issuer, on or before the date of delivery of the Bonds to the purchasers thereof (the "Closing Date"), of (a) the approving opinion of the Attorney General of the State of Texas and evidence of registration of the Bonds by the Comptroller of Public Accounts of the State of Texas; (b) the purchase price for the Bonds; (c) finalization of all documents to the satisfaction of the Corporation; and (d) such opinions, evidences, certificates, instruments or other documents as shall be requested by the Issuer's Counsel or by Bond Counsel to evidence due performance or satisfaction by the Sponsor, the Issuer, H.L. Hotels, LLC (the "Developer") and Hilton Hotels Corporation ("Hilton") at or prior to such time of all agreements then be performed and all conditions then to be satisfied by it.

5. The Sponsor hereby approves acceptance of a deed conveying good title to the land upon which the Project shall be constructed, and the grant of a lease of such land to Issuer for a term of fifty (50) years at a rental of \$1.00 per year, for the purpose of construction, operation, and maintenance of the Project, and granting the Issuer the right to extend the term of the lease if either the A or B Bonds have not been paid off by the end of the initial term, and there has been no prior foreclosure, for a period up to (10) years necessary to pay off the A or B

Bonds; and authorizes the City Manager or designee to enter into such lease with Issuer, and such co-tenancy agreements with other parties having an interest in the property, upon such terms as he deems reasonable, necessary and appropriate.

6. The officers, employees and agents of the Sponsor, and each of them, shall be and each is expressly authorized, empowered and directed from time to time and at any time to do and perform all acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the Sponsor all certificates, financing statements, instruments and other papers, whether or not herein mentioned, as they may determine to be necessary desirable in order to carry out the terms and provisions of this Resolution and of the Bonds to be issued by the Issuer, as well as the terms and provisions of the Articles of Incorporation and the Bylaws, hereby authorized and approved, such determination to be conclusively evidenced by the performance of such acts and things and the execution of any such certificate, financing statement, instrument or other paper.

7. The City Council hereby finds and declares that written notice of the date, hour, place and subject of the meeting at which this Resolution was adopted was posted and that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof were discussed, considered and formally acted upon, all as required by Chapter 551, Texas Government Code, and the Act.

8. This Resolution shall take effect and be in full force and effect upon and after its passage.

ADOPTED: March 2, 2000

ATTEST: Shirley A. Brown  
Shirley A. Brown  
City Clerk

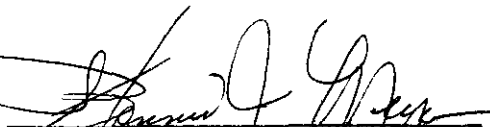
March 23, 2000

Elton Bomer  
Secretary of State  
Corporations Section  
P O Box 13697  
Austin, Texas 78711-3697

Dear Mr Bomer.

Austin Convention and Visitors Bureau, a Texas non-profit corporation, hereby consents to the use of the name "Austin Convention Enterprises, Inc." by a new Texas non-profit corporation

AUSTIN CONVENTION AND VISITORS BUREAU

By   
Name: Bonnie J. Meyer  
Title: Director of Finance/ Agent of Record

By   
Name: Ric Lubber  
Title: Executive Director