



Office of the Secretary of State

**CERTIFICATE OF INCORPORATION
OF**

ST. CHARLES SQUARE HOMEOWNERS ASSOCIATION, INC.
Filing Number: 800405927

The undersigned, as Secretary of State of Texas, hereby certifies that Articles of Incorporation for the above named corporation have been received in this office and have been 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 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: 10/21/2004

Effective: 10/21/2004



A handwritten signature in black ink, appearing to read "G. Connor".

Geoffrey S. Connor
Secretary of State

OCT 21 2004

**ARTICLES OF INCORPORATION OF
ST. CHARLES SQUARE HOMEOWNERS ASSOCIATION, INC.** Corporations Section

The undersigned, being a natural person of the age of eighteen (18) years or more, and a citizen of the State of Texas, acting as incorporator of a corporation under the Texas Non-Profit Corporation Act, adopt the following Articles of Incorporation for ST. CHARLES SQUARE HOMEOWNERS ASSOCIATION, INC., (the "Association").

**I.
CORPORATE NAME**

The name of the corporation is ST. CHARLES SQUARE HOMEOWNERS ASSOCIATION, INC.

**II.
CORPORATE ADDRESS AND AGENT**

The street address of the Association's initial registered office is 9000 Gulf Freeway, Third Floor, Houston, Texas, 77017, and the name of its initial registered agent at such address is John R. Krugh.

**III.
CORPORATE STATUS**

The Association is a non-profit corporation. The Association is not formed for pecuniary profit. No part of the income or assets of the Association is distributable to or for the benefit of its members, directors, or officers, except to the extent permissible under law.

**IV.
PURPOSES AND POWERS OF THE ASSOCIATION**

The Association is formed for the purposes of providing for community, civic, and social welfare of the owners, residents, and occupants of the land which may at any time, and from time to time, be subject to certain Declaration of Covenants and Restrictions (the "Declaration"), Supplemental Restrictions or Annexation Agreements to be recorded in the Official Public Records of Real Property of Harris County, Texas, and to promote the health, safety, and welfare of the owners, residents, and occupants, and for these purposes to:

- a. provide and maintain the common areas, facilities, and services of overall benefit to owners, residents, and occupants of the land subject to the jurisdiction of the Association, including, but not by way of limitation, maintenance of the common areas, conveyed to

or owned by the Association and other services, facilities and activities as may be in the community's interest.

- b. exercise all of the powers and privileges and perform all of the duties and obligations of the Association as set forth in the Declaration;
- c. fix, levy, collect, and enforce payment by the lawful means of all assessments pursuant to the terms of the Declaration;
- d. pay all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes, and governmental charges levied or imposed against the property of the Association;
- e. acquire (by gift, purchase, or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use, or otherwise dispose of interests in and to real or personal property in connection with the affairs of the Association;
- f. borrow money and with the approval of a majority of the votes of the Association, mortgage, pledge, deed in trust, or hypothecate any or all of the Association's real or personal property as security for money borrowed or debts incurred;
- g. dedicate, sell, or transfer all, or any part, of the parks, common area, and facilities owned by the Association to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Board of Directors; provided that no conveyance of any parks, common area, or facilities other than the granting of utility easements shall be permitted except to a public entity established for purposes similar to the Association or which shall be dedicated to the preservation of community purposes and interest and which is capable of maintaining and agreeing to maintain the same; and further provided that any dedication, sale, or transfer other than for utility easements shall be approved by a 2/3 majority of the votes in the Association;
- h. participate in mergers and consolidations with other non-profit corporations organized for the same purposes provided that any merger or consolidation shall be approved by a 2/3 majority of the votes in the Association;
- i. establish and enforce rules and regulations governing the use, operation, maintenance, control and disposition of property to

which the Association holds title or to which control is vested in the Association; and

- j. exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Act of the State of Texas by law now or hereafter may have or exercise; provided that none of the objects or purposes set out in these Articles shall be construed to authorize the Association to do any act in violation of the Texas Non-Profit Corporation Act, and all such objects or purposes are subject to the Act.

V. MEMBERSHIP

Every person or entity who is a record owner of fee simple title to any property subject to assessment by the Association shall be a member of the Association. Persons or entities who hold an interest in any property subject to assessment merely as security for the performance of any obligation shall not, however, be members. Membership shall be appurtenant to and may not be separated from property ownership, which shall be the sole qualification to be a member.

VI. VOTING RIGHTS

Votes in the Association shall be assigned on the basis of Townhome Sites which shall be defined as the portion of the Property, on which a Dwelling Unit is, or will be, situated.

For as long as Class B votes shall continue to exist, there shall be two classes of votes in the Association, as follows:

CLASS A. Class A Members shall be all Members with the exception of Declarant. Class A Members shall be entitled to one vote for each Townhome Site in which they hold the interest required for membership. When more than one person holds such interest or interests in any Townhome Site, all such persons shall be Members, and the vote for such Townhome Site shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to any such Townhome Site.

CLASS B. The Class B Member(s) shall be the Declarant. The Class B Member(s) shall be entitled to three (3) votes for each Townhome Site owned by the Class B Member(s). However, at such times as the total number of Townhome Sites owned by the Class A Members equals or exceeds three (3) times the total number of Townhome Sites owned by

the Class B Member(s), the Class B Member(s) shall, during the time such equality or excess continues, be entitled to only one (1) vote for every Townhome Site owned by it. Unless Additional Property is subjected to the terms of this Declaration in accordance with the provisions of Section 2.4, from and after January 1, 2008, (as subsequently amended, the "Voting Conversion Date"), the Class B Member(s) shall only be entitled to one (1) vote for each Townhome Site owned by it regardless of the number of Townhome Sites owned by the Class B Member(s) at such time. In the event Additional Property is subjected to this Declaration in accordance with Section 2.4, then the Supplemental Declaration, annexing such Additional Property shall designate a new Voting Conversion Date.

VII. DURATION

The Association shall exist perpetually.

VIII. DISSOLUTION

The Association may be dissolved upon approval by 2/3 majority of the total votes in the Association. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. If dedication is refused, the assets shall be granted, conveyed, and assigned to any non-profit corporation, association, trust, or other organization to be devoted to such similar purposes.

IX. BOARD OF DIRECTORS

Section 1. The number of Directors constituting the Board of Directors of the Corporation and their qualifications shall be fixed or determined by, or in the manner provided in, the Bylaws of the Corporation, except that the initial Board of Directors shall be established in accordance with Section 3 below.

Section 2. The number of Directors may be increased or decreased from time to time by the manner provided in the Bylaws, except that no decrease shall have the effect of shortening the term of any incumbent Directors. In the absence of a Bylaw providing for the number of Directors, or should the corporation fail to determine the number of Directors in the manner provided in the Bylaws, the number shall be the same as the number of Directors constituting the initial Board of Directors.

Section 3. The initial Board of Directors shall consist of three (3) Directors. The names and addresses of the persons hereby elected to serve as Directors of the

Corporation until the first Board of Directors is elected by the Members, or until a successor or successors shall have been elected and qualified, are:

<u>NAME</u>	<u>ADDRESS</u>
S. Bradley Todes	P. O. Box 34306 Houston, TX 77234
Gordon Wakefield	P. O. Box 34306 Houston, TX 77234
Megan Sigler	P. O. Box 34306 Houston, TX 77234

**X.
INDEMNIFICATION**

The Association shall indemnify any person who was, or is, threatened to be made a named defendant or respondent in a proceeding (as hereinafter defined) because the person: (i) is, or was, a Director or officer of the Association; or (ii) while a Director or officer of the Association is, or was, serving at the request of the Association as a trustee, officer partner, venturer, proprietor, Director, employee, agent, or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise, to the fullest extent that a corporation may grant indemnification to a Director under the Texas Non-Profit Association Act, as the same exists or may hereafter be amended. Such right shall be a contract right and shall include the right to be paid by the Association expenses incurred in defending any such proceeding in advance of its final disposition to the maximum extent permitted under the Texas Non-Profit Association Act, as the same exists or may hereafter be amended. If a claim for indemnification or advancement of expenses hereunder is not paid in full by the Association within ninety (90) days after a written claim has been received by the Association, the claimant may, at any time thereafter, bring suit against the Association to recover the unpaid amount of the claim. And if successful in whole or in part, the claimant shall be entitled to be paid also the expenses of prosecuting such claim. It shall be a defense to any such action that such indemnification or advancement of costs of defense are not permitted under the Texas Non-Profit Association Act, but the burden of proving such defense shall be on the Association. Neither the failure of the Association (including its Board of Directors or any committee thereof, special legal counsel, or members, if any) to have made its determination prior to the commencement of such action that indemnification, or advancement of costs of defense to, the claimant is permissible in the circumstances, nor an actual determination by the Association (including its Board of Directors, or any committee thereof, special legal counsel, or members, if any) that such indemnification or advancement is not permissible shall be a defense to the action or create a presumption that such indemnification or advancement is not permissible. In the event

of the death of any person having a right of indemnification under the foregoing provisions, such right shall inure to the benefit of that person's heirs, executors, administrators, and personal representatives. The rights conferred above shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, bylaw, resolution of members, if any, or Directors, agreement, or otherwise. To the extent permitted by then applicable law, the grant of mandatory indemnification to any person pursuant to this Article shall extend to proceedings involving the negligence of such persons. The Association may additionally indemnify any person covered by the grant of mandatory indemnification contained above to such further extent as is permitted by law and may indemnify any other person to the fullest extent permitted by law. The Association may purchase and maintain insurance on behalf of any person who is serving the Association (or another entity at the request of the Association) against any liability asserted against him and incurred by him in such a capacity or arising out of his status as such a person, whether or not the Association would have the power to indemnify him against that liability under this Article or by statute. Notwithstanding the foregoing, no person shall be indemnified pursuant to the provisions of this Article and no insurance may be maintained on behalf of any person if such indemnification or maintenance of insurance would subject the Association or such person to income or excise tax under the Internal Revenue Code of the United States as in effect from time to time, including any tax asserted under Chapter 42 of the Code. As used herein, the term "proceeding" means any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, arbitral, or investigative, any appeal in such an action, suit, or proceeding, and any inquiry or investigation that could lead to such an action, suit, or proceeding.

ARTICLE XI DIRECTOR LIABILITY

To the fullest extent permitted by applicable law, no Director of the Association shall be liable to the Association for monetary damages for an act or omission in such Director's capacity as a Director of the Association, except that this paragraph shall not eliminate or limit the liability of a director of the Association to the extent the Director is found liable for any of the following:

- a. A breach of such Director's duty of loyalty to the Association;
- b. An act or omission not in good faith that constitutes a breach of duty of the Director to the Association, or an act or omission that involves intentional misconduct or a knowing violation of the law;
- c. A transaction from which such Director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of such Director's office; or
- d. An act of omission for which the liability of such Director is expressly provided for by statute.

Any repeal or amendment of this Article by the Association shall be prospective only, and shall not adversely affect any limitation on the personal liability of a Director of the Association existing at the time of such repeal or amendment. In addition to the circumstances in which a Director of the Association is not personally liable as set forth in the foregoing provisions, a Director shall not be liable to the Association to such further extent as permitted by applicable any law hereafter enacted, including without limitation, any subsequent amendments of the Texas Miscellaneous Association Laws Act or the Texas Non-Profit Association Act.

ARTICLE XII BY LAWS

The Board of Directors shall adopt Bylaws consistent with these Articles of Incorporation and the Declaration. Those Bylaws may be amended by the Class B Members on their own motion from the date hereof until termination of the Class B membership on the Conversion Date. Alternatively, the Bylaws may be amended at a regular or special meeting of the Members by a vote of the Members holding a majority of the votes of the Class A Members that are present in person or by proxy and the assent of the Class B Members, if any.

ARTICLE XIII

The Association is a non-profit corporation, without capital stock, organized solely for the purposes specified in Article IV; and no part of the Association's property, whether income or principal, shall ever inure to the benefit of, or be distributable to, any Director, officer, or employee of the Association, or of any individual having a personal or private interest in the activities of the Association, nor shall any such Director, officer, employee, or individual receive or be lawfully entitled to receive any profit from the operations of the Association except a reasonable allowance for salaries or their compensation for personal services actually rendered in carrying out one or more of its stated purposes.

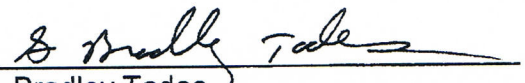
XIV. INCORPORATOR

The name and address of the incorporator is:

S. Bradley Todes
P. O. Box 34306
Houston, TX 77234

ACCEPTANCE

I, the undersigned, being the sole incorporator of this corporation, have executed these Articles of Incorporation on this the 13th day of October, 2004, for the purpose of forming this corporation under the laws of the State of Texas.

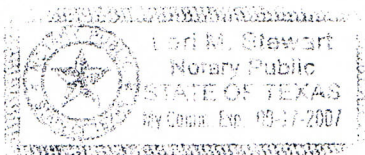

S. Bradley Todes

THE STATE OF TEXAS §

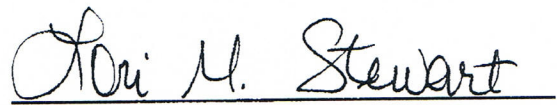
COUNTY OF HARRIS §

Before me, a notary public, on this day personally appeared, S. BRADLEY TODES, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, has declared that the statements therein are true and correct.

Given under my hand and seal on the 13th day of October, 2004.



Seal Showing Name and
Commission Expiration


Notary Public in and for the
State of Texas