

ARTICLES OF INCORPORATION
OF
NEW TERRITORY RESIDENTIAL COMMUNITY ASSOCIATION, INC.

We, the undersigned, natural persons of the age of eighteen (18) years or more, all of whom are citizens of the State of Texas, acting as incorporators of a corporation under the Texas Non-Profit Corporation Act, do hereby adopt the following Articles of Incorporation for such corporation:

ARTICLE ONE

The name of the Corporation is New Territory Residential Community Association, Inc. (hereinafter referred to as the "Corporation").

ARTICLE TWO

The Corporation is a non-profit corporation organized pursuant to the provisions of the Texas Non-Profit Corporation Act.

ARTICLE THREE

The period of duration of the Corporation is perpetual.

ARTICLE FOUR

The post office address of the initial registered office of the Corporation is Suite 500, 6671 Southwest Freeway, Houston, Texas 77074, and the name of its initial registered agent at such address is Richard L. Rose.

ARTICLE FIVE

The Corporation does not contemplate pecuniary gain or benefit, direct or indirect, to the members thereof. By way of explanation and not of limitation, the general purpose for which the Corporation is formed is to be and constitute the corporation to

which reference is made in that certain Declaration of Covenants, Conditions and Restrictions for New Territory dated as of September 15, 1989 (hereinafter called “Declaration”) recorded or to be recorded in the Office of the County Clerk of Fort Bend County, Texas as the same may be amended from time to time in accordance with the provisions thereof, to exercise all rights and powers specified therein, in the Corporation’s by-laws (the “By-Laws”), and as provided by law, and to further the interests of the owners of the property subject to the Declaration.

In furtherance of its purpose, the Corporation shall have the following powers, which, unless indicated otherwise by the Declaration or the By-Laws, may be exercised by the Corporation’s Board of Directors:

- A. all of the powers conferred upon non-profit corporations by common law and the statutes of the State of Texas in effect from time to time;
- B. all of the powers necessary or desirable to perform the obligations and duties and to exercise the rights and powers set out in these Articles, the Declaration, or the By-Laws, including, without limitation, the following:
 - (i) preparing and adopting annual budgets of the Corporation’s expenses;
 - (ii) making assessments to defray the Corporation’s expenses as set forth in the Declaration, establishing the means and methods of collecting such assessments, and establishing

the period of the installment payments of the annual assessments;

- (iii) providing for the operation, care, upkeep, and maintenance of all of the property and facilities owned by the Corporation and the property and facilities within or in the vicinity of the property within the jurisdiction of the Corporation not owned by the Corporation as set forth in the Declaration;
- (iv) designating, hiring, and dismissing the personnel necessary for the operation of the Corporation and the maintenance, operation, repair, and replacement of its property and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;
- (v) collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to operate the Corporation;
- (vi) making and amending rules and regulations;
- (vii) opening bank accounts on behalf of the Corporation and designating the signatories required;
- (viii) making or contracting for the making of repairs, additions, and improvements to or alterations of the Corporation's

property in accordance with the provisions of the Declaration and the By-Laws after damage or destruction by fire or other casualty;

- (ix) enforcing the covenants, conditions, and restrictions created by the Declaration, and the rules and regulations adopted by the Corporation and bringing any proceedings which may be instituted on behalf of or against the owners of property subject to the Declaration;
- (x) obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;
- (xi) paying the cost of all services rendered to the Corporation or its members and not chargeable directly to specific owners;
- (xii) keeping books with detailed accounts of the receipts and the expenditures affecting the Corporation and its administration, specifying the maintenance and repair expenses incurred;
- (xiii) making available to any prospective purchaser of a portion of the property subject to the Declaration or any mortgagee, and the holders, insurers, and guarantors of a mortgage, current copies of the Declaration, these Articles, the By-

- Laws, the rules governing such property and all other books, records, and financial statements of the Corporation;
- (xiv) permitting utility suppliers and suppliers of other services such as cable television and security monitoring systems to use portions of the Corporation's property;
 - (xv) engaging in activities which will actively foster, promote, and advance the common interests of the owners of the property subject to the Declaration;
 - (xvi) buying or otherwise disposing of, mortgaging, or otherwise encumbering, exchanging, leasing, holding, using, operating, and otherwise dealing in and with real, personal, and mixed property of all kinds and any right or interest therein for any purpose of the Corporation, which shall include the power to foreclose its lien on any property subject to the Declaration, by judicial or nonjudicial means;
 - (xvii) borrowing money for any purpose subject to such limitations as may be contained in the Declaration or the By-Laws;
 - (xviii) entering into, making, performing, and enforcing contracts of every kind and description, and doing all other acts necessary, appropriate, or advisable in carrying out any purpose of the Corporation, with or in association with any

other association, corporation, or other entity or agency,
public or private;

- (xix) acting as agent, trustee, or other representative of other corporations, firms, or individuals, and as such to advance the business or ownership interests in such corporations, firms, or individuals;
- (xx) adopting, altering, and amending or repealing such By-Laws as may be necessary or desirable for the proper management of the affairs of the Corporation; provided, however, such By-Laws may not be inconsistent with or contrary to any provisions of the Declaration; and
- (xxi) providing or contracting for services benefiting the property subject to the Declaration, including, without limitation, garbage removal and any and all supplemental municipal services as may be necessary or desirable.

The foregoing enumeration of powers shall not limit or restrict in any manner the exercise of other and further rights and powers which may now or hereinafter be allowed or permitted by law; and the powers specified in each of the paragraphs of this Article are independent powers, not to be restricted by reference to or inference from the terms of any other paragraph or provisions of this Article.

ARTICLE SIX

The Corporation shall be a membership corporation without certificates or shares of stock. The record owner, whether one or more persons or entities, of the fee simple title to any portion of the property subject to the Declaration, including contract sellers, but excluding those having an interest merely as security for the performance of an obligation or those owning an easement right, a mineral interest or a royalty interest, shall be a member of the Corporation (such persons or entities being hereinafter referred to as an "Owner").

ARTICLE SEVEN

The Corporation shall initially have two classes of voting membership:

- (a) CLASS A. Class "A" Members shall be all Owners with the exception of the Class "B" Member. Class "A" Members shall be entitled to one vote for each Lot (as defined in the Declaration) and/or one vote for each 7,500 square feet of land contained within a Tract (as defined in the declaration) of which they are the Owner. In the case where said formula results in a fraction of a vote for a Tract, said fraction shall be rounded up or down to whichever whole number is closer. Unless otherwise specified in the Declaration or the Corporation's By-Laws, the vote or votes of each Owner other than the Class "B" Member, as long as such membership exists, shall be exercised by the Voting Member (as defined in the Declaration) representing the Neighborhood (as defined in the Declaration) of which such Owner's Lot or Tract is a part. In any

situation where a Member is entitled personally to exercise the vote for a Lot or Tract and more than one Person (as defined in the Declaration) holds the interest in such Lot or Tract required for membership in the Corporation, the vote for such Lot or Tract shall be exercised as those persons among themselves determined and advise the Secretary of the Board of Directors of the Corporation in writing prior any meeting. In the absence of such advice, the vote for such Lot or Tract shall be suspended in the event more than one Person seeks to exercise it.

- (b) CLASS B. The Class “B” Member shall be the Declarant (as defined in the Declaration) who shall be entitled to one vote for each Lot and/or one vote for each 7,500 square feet of land contained in a Tract of which the Declarant is the Owner. The rights of the Class “B” Member, including the right to disapprove certain actions taken under the Declaration and the By-Laws, are specified in the Declaration and the By-Laws. The Class “B” Members shall be entitled to appoint the members of the Corporation’s Board of Directors during the Class “B” Control Period (as defined in the Declaration). The Class “B” Member shall also have the right to disapprove certain actions of the Corporation’s Board of Directors and any committee thereof as provided in the By-Laws.

The Class “B” membership shall cease and be converted to Class “A” membership on the happening of the earlier of (I) the termination of the Class B Control period or (ii) when the Declarant, in its discretion, so determines and records an instrument to such effect in

the real property records of Fort Bend County, Texas. From and after the termination of Class B membership, the Declarant shall be deemed to be a Class "A" Member.

ARTICLE EIGHT

The Corporation shall act through a board of not less than three (3) nor more than five (5) directors (the "Board of Directors" or the "Board"), which shall manage the affairs of the Corporation as specified in the By-Laws. The names and addresses of the initial Board of Directors who are to serve until their successors are appointed or elected are:

- (1) John Loberg
6101 Sartartia Way
Sugar Land, Texas 77479
- (2) Alan D. Greenwood
Suite 210, 6671 Southwest Freeway
Houston, Texas 77074
- (3) Patrick K. Duggan
Suite 210, 6671 Southwest Freeway
Houston, Texas 77074

The method of election, removal and filling of vacancies, and the term of office of directors shall be as set forth in the By-Laws. The Board may delegate such operating authority to such companies, individuals, or committees as it, in its discretion, may determine.

ARTICLE NINE

The Corporation may be dissolved only with the consent of Voting Members representing seventy-five percent (75%) of the total Class "A" vote and, until the termination of the Class B Control Period, the Delcarant. Upon dissolution of the Corporation, otherthena incident to merger or consolidation, the assets of the Corporation

shall be dedicated to an appropriate public agency to be used for purposes similar to those for which the Corporation was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization devoted to such similar purposes.