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FILED
In the Office of the
Secretary of State of Texas

MAY 30 2003

ARTICLES OF INCORPORATION
of
PROPERTY OWNERS ASSOCIATION OF LEGENDS RANCH
Corporations Section

I, the undersigned natural persons of the age of eighteen (18) years or more, acting as incorporator of a corporation under the Texas Non-Profit Corporation Act, do hereby adopt the following Articles of Incorporation for such corporation.

ARTICLE ONE

NAME

The name of the corporation is PROPERTY OWNERS ASSOCIATION OF LEGENDS RANCH

ARTICLE TWO

NON-PROFIT CORPORATION

The corporation is a nonprofit corporation.

ARTICLE THREE

DURATION

The period of its duration is perpetual.

ARTICLE FOUR

PURPOSES

The purposes for which the corporation is organized are as follows:

- (1) The specific and primary purpose for which this corporation is organized is to govern the affairs of that certain property known as Legends Ranch, Section One, a Montgomery County subdivision according to the map or plat thereof recorded under County Clerk's File No. 2003002705 of the Map Records of Montgomery County, Texas and any other subdivisions in Montgomery County, Texas brought within the jurisdiction of the corporation (the "Property"). IT SHALL NOT BE ONE OF THE PURPOSES OF THE ASSOCIATION TO PROVIDE SECURITY TO THE RESIDENTS OF THE PROPERTY OR THEIR GUESTS AND INVITEES. NEITHER LAND TEJAS DEVELOPMENT LEGENDS RANCH, LTD., A TEXAS LIMITED PARTNERSHIP, ITS SUCCESSORS, ASSIGNS, BENEFICIARIES OR PARTNERS OR THE DEVELOPER OF ANY ADDITIONAL PROPERTY BROUGHT WITHIN THE JURISDICTION OF THE ASSOCIATION (THE "DEVELOPER"), THE ASSOCIATION, ITS BOARD, NOR ITS OFFICERS, DIRECTORS OR ITS AGENTS SHALL EVER IN ANY WAY, BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY WITHIN THE

PROPERTY NOR SHALL THEY BE LIABLE FOR ANY LOSS OR DAMAGE BY REASON OR ALLEGED FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN, IF ANY.

(2) The general powers of the corporation are:

(a) exercise all of the powers and privileges and to perform all of the duties and obligations of the corporation as set forth in that certain instrument entitled the "Declaration of Covenants, Conditions and Restrictions for Legends Ranch, Section One (1) A Subdivision in Montgomery County" (the "Declaration") and as the same may be amended or supplemented from time to time as therein provided, as well as the restrictive covenants of any other subdivisions brought within the jurisdiction of the corporation;

(b) fix, levy, collect, and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the corporation, including all licenses, taxes or governmental charges levied or imposed against the property of the corporation;

(c) 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 real or personal property in connection with the affairs of the corporation;

(d) borrow money, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) dedicate, sell or transfer all or any part of the Common Area to any public agency, authority, or utility;

(f) participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property and Common Area; and

(g) have and to exercise any and all powers, rights and privileges which a corporation organized under the Texas Non-Profit Corporation Act by law may now or hereafter have or exercise.

(3) Notwithstanding any of the foregoing statements of purposes and powers, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the primary purpose of this corporation as set forth in Paragraph (1) of this Article Four, nothing contained in the foregoing statement of purposes shall be construed to authorize this corporation to carry on any activity for the

profit of its members, or to distribute any gains, profits, or dividends to its members as such, except on dissolution and winding up.

This corporation is organized pursuant to the Texas Non-Profit Corporation Act and does not contemplate pecuniary gain or profit to the members thereof and is organized for non-profit purposes.

ARTICLE FIVE
MEMBERSHIP

Each Owner, whether one Person or more of a Lot shall, upon and by virtue of becoming such Owner, automatically become and shall remain a Member of the Association until ownership of the Lot ceases for any reason, at which time the membership in the Association shall also automatically cease. Membership in the Association shall be appurtenant to and shall automatically follow the ownership of each Lot and may not be separated from such ownership.

ARTICLE SIX
VOTING RIGHTS

The Corporation shall have two classes of voting membership:

Class A. Class A members shall be all Owners, with the exception of Developer, and shall be entitled to one (1) vote for each Lot owned. When more than one (1) person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one (1) vote be cast with respect to any Lot. Holders of future interests not entitled to present possession shall not be considered as Owners for the purposes of voting hereunder.

Class B. The Class B member(s) shall be Developer, or its successors or assigns so designated in writing by Developer, and shall be entitled to seven (7) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the earliest of the dates when:

- (a) the last vacant Lot in the Property is sold to an Owner, other than the Declarant or a Builder, or
- (b) Declarant by written notice to the Board notifies the Board of its decision to end the Developer Control Period.

ARTICLE SEVEN
INITIAL REGISTERED OFFICE AND AGENT

The street address of the initial registered office of the corporation is 1616 S. Voss Road, Suite 500, Houston, Texas 77057, and the name of its initial registered agent at such address is Roy D. Hailey.

ARTICLE EIGHT
BOARD OF DIRECTORS

The affairs of the corporation shall be managed by a Board of three (3) Directors, who need not be members of the corporation. The number of directors may be changed by amendment of the By-Laws of the corporation. The names and addresses of the persons who are to act in the capacity of directors until the selection of their successors are:

<u>NAME</u>	<u>ADDRESS</u>
Al Brende	2450 Fondren Road, Suite 210 Houston, Texas 77063
B.J. Weidenfeld	2450 Fondren Road, Suite 210 Houston, Texas 77063
Linda Houston	2450 Fondren Road, Suite 210 Houston, Texas 77063

ARTICLE NINE
INCORPORATOR

The name and street address of the incorporator is:

<u>NAME</u>	<u>ADDRESS</u>
Roy D. Hailey	1616 S. Voss Road, Suite 500 Houston, Texas 77057

ARTICLE TEN
DISSOLUTION

The corporation may be dissolved with the assent given in writing and signed by not less than two-thirds ($\frac{2}{3}$ ds) of the members. Upon dissolution of the corporation, other than incident to a 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 this corporation was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE ELEVEN
DURATION

The corporation shall exist perpetually.

**ARTICLE TWELVE
AMENDMENTS**

Amendment of these Articles shall require the assent of two thirds (2/3rds) of both classes of the members of the Association (as long as there are Class B members), who are in good standing and entitled to vote and are in attendance (either in person or by proxy) at a meeting of the members called for such purpose.

**ARTICLE THIRTEEN
INDEMNIFICATION**

The Association shall indemnify any director or former director, officer or former officer of the Association to the fullest extent allowed by the Texas Non-Profit Corporation Act.

IN WITNESS WHEREOF, we have hereunto set our hand, this 28th day of May, 2003.

By: Roy D. Hailey

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was executed before me on this 28th day of May, 2003 by Roy D. Hailey for the purposes and consideration expressed therein.

Michelle Stratton
Notary Public in and for the State of Texas

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