

ARTICLES OF INCORPORATION

SEP 11 2000

OF

Corpor:

SHADOW CREEK RANCH MAINTENANCE ASSOCIATION

I, the undersigned, being of the age of eighteen years or more, acting as incorporator of a corporation under the Texas Non-Profit Corporation Act., Tex. Civ. Stat. Ann. art.1396-01, et seq., as it may be amended, do hereby adopt the following Articles of Incorporation for such corporation:

Article 1. Name. The name of the Corporation is Shadow Creek Ranch Maintenance Association. ("Corporation or "Association").

Article 2. Duration. The Corporation shall have perpetual duration.

Article 3. Applicable Statute. The Corporation is a non-profit corporation organized pursuant to the provisions of the Texas Non-Profit Corporation Act, Article 1396-1.01, et seq.

Article 4. Purposes and Powers. The Corporation does not contemplate pecuniary gain or benefit, direct or indirect, to its members. In way of explanation and not of limitation, the purposes for which it is formed are:

(a) to be and constitute the Association to which reference is made in the Declaration of Covenants, Restrictions, Easements, Charges and Liens for Shadow Creek Ranch Maintenance Association, recorded or to be recorded in the Office of the County Clerk of Brazoria County and in the Office of the County Clerk of Fort Bend County, Texas, and in the Office of the County Clerk of Harris County, Texas, as it may be amended from time to time (the "Declaration"), to perform all obligations and duties of the Association, and to exercise all rights and powers of the Association, as specified therein, in the By-Laws, and as provided by law; and

(b) to provide an entity for the furtherance of the interests of the owners of property

subject to the Declaration.

In furtherance of its purposes, the Corporation shall have the following powers, which, unless indicated otherwise by the Declaration or By-Laws, may be exercised by the 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 By-Laws, or the Declaration, including, without limitation, the following:

(i) to fix, levy, and collect assessments and other charges to be levied against the property subject to the Declaration and to enforce payment thereof by any lawful means;

(ii) to manage, control, operate, maintain, preserve, repair, and improve the common area and facilities, and any property subsequently acquired by the Corporation, or any property owned by another, for which the Corporation, by rule, regulation, Declaration, or contract, has a right or duty to provide such services;

(iii) to enforce covenants, conditions, or restrictions affecting any property to the extent the Association may be authorized to do so under the Declaration or By-Laws;

(iv) to engage in activities which will actively foster, promote, and advance the common interests of all owners of property subject to the Declaration;

(v) to buy or otherwise acquire, sell, or otherwise dispose of, mortgage, or otherwise encumber, exchange, lease, hold, use, operate, and otherwise deal 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;

(vi) to borrow money for any purpose subject to such limitations as may be contained in the By-Laws;

(vii) to enter into, make, perform, and enforce contracts of every kind and description, and to do all other acts necessary, appropriate, or advisable in carrying out any purpose of the Association, with or in association with any other association, corporation, or other entity or agency, public or private;

(viii) to act 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;

(ix) to adopt, alter and amend or repeal such By-Laws as may be necessary or desirable for the proper management of the affairs of the Association; provided, however, such By-Laws may not be inconsistent with or contrary to any provisions of the Declaration; and

(x) to provide or contract for services benefitting 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 hereafter be allowed or permitted by law; provided, none of the objects or purposes herein set out shall be construed to authorize the Corporation to do any act in violation of the Texas Non-Profit Corporation Act, and all such objects or purposes are subject to said Act.

The powers specified in each of the paragraphs of this Article 4 are independent powers, not to be restricted by reference to or inference from the terms of any other paragraph or provision of this Article 4.

Article 5. Definitions. All capitalized terms used in these Articles of incorporation shall be defined in the same manner as defined in the Declaration, which definitions are incorporated herein by this reference.

Article 6. Membership. The Corporation shall be a membership corporation without certificates or shares of stock. All Members (as defined in the Declaration), which shall be the Declarant and all Villages and a Representative, if any, (the terms Declarant, Village and Representative are defined in the Declaration) are members of the Association. The members shall be divided into classes and entitled to a vote in accordance with the By-Laws and Declaration.

Article 7. Board of Directors. The business and affairs of the Corporation shall be conducted, managed, and controlled by a Board of Directors. The Board may delegate such operating authority to such companies, individuals, or committees as it, in its discretion, may determine. The Board shall consist of no less than three (3) and no more than five (5) members. The initial Board of Directors shall consist of the following three (3) members:

Gary Cook
c/o Shadow Creek Ranch
2947 E. Broadway, Suite 300
Pearland, Texas 77581-6760

Carlo Ferreira
c/o Shadow Creek Ranch
2947 E. Broadway, Suite 300
Pearland, Texas 77581-6760

Kerry R. Gilbert
15810 Park Ten Place, Suite 160
Houston, Texas 77084

The method of election, removal and filing of vacancies, and the term of office and number of directors shall be as set forth in the By-Laws.

Article 8. Liability of Directors. Indemnification. To the fullest extent permitted by Texas

statutes, as the same exist or as they may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits broader limitation than permitted prior to such amendment), a director or the Corporation shall not be liable to the Corporation for monetary damages for an act or omission in the director's capacity as a director. Any repeal or amendment of this Article 8 by the Corporation shall be prospective only and shall not adversely affect any limitation on the personal liability of a director of the Corporation existing at the time of such repeal or amendment.

The Corporation may indemnify a person who was, is, or is threatened to be made and named defendant or respondent in litigation or other proceedings because the person is or was a director or other person related to the Corporation as provided by the provisions of the Texas Non-Profit Corporation Act governing indemnification. The Board of Directors shall have the power to define the requirements and limitations for the Corporation to indemnify directors, officers, members and others related to the Corporation as provided in the provisions of the Texas Non-Profit Corporation Act governing indemnification.

Article 9. Dissolution. The Corporation may be dissolved only as provided in the By-Laws, and by the laws of the State of Texas. Any dissolution shall be subject to the terms of Article 11 hereof, if applicable.

Article 10. Amendments. Subject to the provisions of the Texas Non-Profit Corporation Act and Article 11 hereof, if applicable, these Articles of Incorporation may be amended with the approval of the Board of Directors and members holding two-thirds (2/3) of the total Class "A" votes in the Association and the approval of the Class "B" member, so long as such membership exists; provided, however, these Articles of Incorporation may be amended by two-thirds (2/3) of the Class "A" votes represented in person or by proxy at a meeting called solely for the purpose of changing

the name of the Association and the approval of the Class "B" member, so long as such membership exists. No amendment shall conflict with the Declaration nor shall any amendment be effective to impair or dilute any rights of members that are granted by the Declaration.

Article 11. VA/HUD. If any property subject to the Declaration is subject to a mortgage guaranteed or insured by the U.S. Veterans Administration or the U.S. Department of Housing and Urban Development (or any successor governmental entity performing the regulatory or other functions thereof), then as long as there is a Class "B" member, the following shall apply:

(a) annexation of additional property to the jurisdiction of the Association, merger, consolidation, mortgaging of the Common Areas, amendment of these Articles and/or dissolution of the Association shall require the prior approval of one of the foregoing agencies;

(b) dissolution of the Association shall additionally require the written consent of members holding not less than two-thirds (2/3) of the total Class "A" votes in the Association and the written consent of the Class "B" member, if any; and


(c) 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, or shall be granted, conveyed and assigned to a non-profit corporation, association, trust or other organization to be devoted to such similar purposes, notwithstanding the provisions of Article 1396-6.02.A.(3) of the Texas Non-Profit Corporations Act.

Article 12. Registered Agent and Office. The initial registered office of the Corporation is c/o Hoover, Bax & Slovacek, L.L.P., 5847 San Felipe, Suite 2200, Houston, Texas 77057, and the initial registered agent at such address is Sarah Ann Powers.

Article 13. Incorporator. The name and address of the incorporator is as follows:

Sarah Ann Powers
Hoover, Bax & Slovacek, L.L.P.
5847 San Felipe, Suite 2200
Houston, Texas 77057

IN WITNESS WHEREOF, the undersigned incorporator has executed these Articles of
Incorporation this 7th day of September, 2000.



Sarah Ann Powers, Incorporator