

## **ARTICLES OF INCORPORATION**

**OF**

### **THE COSTA BELLA WATERFRONT COMMUNITY, INC.**

The undersigned natural person, being of the age of eighteen (18) years or more, a citizen of the State of Texas, acting as incorporator of a corporation under the Texas Nonprofit Corporation Act, does hereby adopt the following Articles of Incorporation for such corporation

#### **ARTICLE I NAME**

The name of the corporation is The Costa Bella Waterfront Community, Inc , (hereinafter called the "Association")

#### **ARTICLE II NONPROFIT CORPORATION**

The Association is a nonprofit corporation

#### **ARTICLE III DURATION**

The Association shall exist perpetually

#### **ARTICLE IV PURPOSE AND POWERS OF THE ASSOCIATION**

The Association is organized in accordance with, and shall operate for nonprofit purposes pursuant to, the Texas Nonprofit Corporation Act, and does not contemplate pecuniary gain or profit to its members. The Association is formed for the sole purpose of exercising all of the powers and privileges, and performing all of the duties and obligations, of the Association as set forth in that certain "Declaration of Covenants, Conditions and Restrictions for Costa Bella" which is recorded in the Real Property Records of Travis County, Texas, as the same may be amended from time to time (the "Declaration"). Without limiting the generality of the foregoing, the Association is organized for the following general purposes

(a) to fix, levy, collect, and enforce payment by any lawful means all charges or assessments arising pursuant to the terms of the Declaration,

(b) to pay all expenses incident to the conduct of the business of the Association, including all licenses, taxes, or governmental charges levied or imposed against the Association's property, and

(c) to have and to exercise any and all powers, rights, and privileges which a corporation organized under the Texas Nonprofit Corporation Act may now, or later, have or exercise, subject to the limitations set forth in the Declaration

The above statement of purposes shall be construed as a statement of both purposes and powers. The purposes and powers stated in each of the clauses above shall not be limited or restricted by reference to, or inference from, the terms and provisions of any other such clause, but shall be broadly construed as independent purposes and powers, provided, however, that notwithstanding any provision herein to the contrary, the Association shall not engage in any substantial activities or exercise any significant powers which do not further the sole purpose of the Association, which is set out in the Declaration

#### **ARTICLE V REGISTERED OFFICE; REGISTERED AGENT**

The street address of the initial registered office of the Association is 770 South Post Oak Ln. Ste. 600 Hou. Tx. 77056. The name of its initial registered agent at such address is Bruce F. Berie

#### **ARTICLE VI MEMBERSHIP**

Membership in the Association shall be dependent upon ownership of a qualifying property interest as defined and set forth in the Declaration. Any person or entity acquiring such a qualifying property interest shall automatically become a member of the Association, and such membership shall be appurtenant to, and shall run with, the property interest. The foregoing shall not be deemed or construed to include persons or entities holding an interest merely as security for performance of an obligation. Membership may not be severed from or in any way transferred, pledged, mortgaged, or alienated except together with the title to the qualifying property interest, and then only to the transferee of title to said property interest. Any attempt to make a prohibited severance, transfer, pledge, mortgage, or alienation shall be void.

#### **ARTICLE VII VOTING RIGHTS**

Voting rights of the members of the Association shall be determined as set forth in the Declaration, as amended. No owner, other than the Declarant under the Declaration, shall be entitled to vote at any meeting of the Association until such owner has presented to the Association evidence of ownership of a qualifying property interest in the Property. The vote of each owner may be cast by such owner or by proxy given to such owner's duly authorized representative.

**ARTICLE VIII  
INCORPORATOR**

The name and street address of the incorporator is

**NAME**

**ADDRESS**

Robert D Burton

100 Congress, Suite 1300  
Austin, Texas 78701

**ARTICLE IX  
BOARD OF DIRECTORS**

The affairs of the Association shall be managed by an initial Board of Directors consisting of three (3) individuals, who must be members of the Association. The Board shall fulfill all of the functions of, and possess all powers granted to, Boards of Directors of nonprofit corporations pursuant to the Texas Nonprofit Corporation Act. The number of Directors of the Association may be changed by amendment of the Bylaws of the Association. The names and addresses of the persons who are to act in the capacity of initial Directors until the selection of their successors are

**NAME**

**ADDRESS**

Arnold C. Tauch

5225 Katy Freeway, Ste. 530  
Houston, Tx. 77007

Richard G. Anderson

5225 Katy Freeway, Ste. 530  
Houston, Tx. 77007

Jack C. Moss

5225 Katy Freeway, Ste. 530  
Houston, Tx. 77007

All of the powers and prerogatives of the Association shall be exercised by the initial Board of Directors named above until the first annual meeting of the Association.

**ARTICLE X  
LIMITATION OF DIRECTOR LIABILITY**

A director of the Association shall not be personally liable to the Association for monetary damages for any act or omission in his capacity as a director, except to the extent otherwise expressly provided by a statute of the State of Texas. Any repeal or modification of this Article shall be prospective only, and shall not adversely affect any limitation of the personal liability of a director of the Association existing at the time of the repeal or modification.

**ARTICLE XI  
INDEMNIFICATION**

Each person who acts as a director or officer of the Association shall be indemnified by the Association against any costs, expenses and liabilities which may be imposed upon or reasonably incurred by him in connection with any civil or criminal action, suit or proceeding in which he may be named as a party defendant or in which he may be a witness by reason of his being or having been such director or officer or by reason of any action alleged to have been taken or omitted by him in either such capacity. Such indemnification shall be provided in the manner and under the terms, conditions and limitations set forth in the Bylaws of the Association.

**ARTICLE XII  
DISSOLUTION**

The Association may be dissolved with the written and signed assent of not less than ninety percent (90%) of the total number of votes of the Association, as determined under the Declaration. 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. 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.

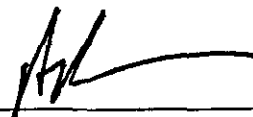
**ARTICLE XIII  
ACTION WITHOUT MEETING**

Any action required by law to be taken at any annual or special meeting of the members of the Association, or any action that may be taken at any annual or special meeting of the members of the Association, may be taken without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the number of members having the total number of votes of the Association necessary to enact the action taken, as determined under the Declaration or these Articles.

**ARTICLE XIV  
AMENDMENT**

Amendment of these Articles of Incorporation shall be by proposal submitted to the membership of the Association. Any such proposed amendment shall be adopted only upon an affirmative vote by the holders of a minimum of ninety percent (90%) of the total number of votes of the Association, as determined under the Declaration. In the case of any conflict between the Declaration and these Articles, the Declaration shall control, and in the case of any conflict between these Articles and the Bylaws of the Association, these Articles shall control.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand, this 26th day of March, 1998

  
\_\_\_\_\_  
Robert D. Burton, Incorporator