



Office of the Secretary of State

CERTIFICATE OF INCORPORATION OF

BALLPARK III COMMUNITY ASSOCIATION, INC.

Filing Number: 800381508

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: 08/25/2004

Effective: 08/25/2004



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

Geoffrey S. Connor
Secretary of State

ARTICLES OF INCORPORATION
OF
BALLPARK III COMMUNITY ASSOCIATION, INC.

FILED
In the Office of the
Secretary of State of Texas
AUG 25 2004
Corporations Section

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

ARTICLE I
Corporate Name

The name of the corporation is BALLPARK III COMMUNITY ASSOCIATION, INC., hereinafter sometimes called the "Association".

ARTICLE II
Legal Status

The Association is a nonprofit corporation organized pursuant to the Texas Non-Profit Corporation Act.

ARTICLE III
Duration

The period of duration of the Association is perpetual.

ARTICLE IV
Purposes

The purposes for which the Association is organized are primarily to provide an organization consisting of the Owners of Lots within Ballpark III, a residential subdivision located within Harris County, Texas (the "Subdivision"), in accordance with and as more particularly described in that certain instrument entitled "Declaration of Covenants, Conditions, Restrictions and Easements for Ballpark III", which has or will be filed of record in the Official Public Records of Real Property of Harris County, Texas, as same may be from time to time amended (the "Declaration"), and in accordance with the Declaration to provide for the management, maintenance, preservation, operation and architectural review of the Subdivision and any additions thereto as may hereafter be brought within the jurisdiction of the Association, including for such purposes without limitation of the foregoing:

A. to exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration, the Bylaws and Articles of Incorporation of the Association, Rules and Regulations, Architectural Guidelines, all written decisions and resolutions of the Association's Board of Directors and Architectural Control

Committee, and amendments to any of the foregoing (all such instruments sometimes herein referred to as the "Governing Documents");

B. to fix, levy, collect, and enforce payment of any charges or assessments as set forth in the Declaration and other Governing Documents, and to pay all expenses in connection with such charges or assessments and all other expenses incidental to the conduct of the business of the Association, including all licenses, taxes, or governmental charges levied or imposed against the property of the Association;

C. to review the construction, reconstruction or alteration of any building or other improvement to be erected, maintained or altered upon any Lot, tract, parcel, site or reserve within the Subdivision or otherwise subject to the jurisdiction of the Association;

D. to cause to be enforced the restrictions, covenants, conditions and easements imposed upon all or any part of the Subdivision by the Declaration and other Governing Documents;

E. to acquire (by gift, deed, lease or otherwise), own, hold, improve, operate, maintain, sell, lease, convey, dedicate for public use, otherwise dispose of and/or alienate real and personal property as the Association may deem necessary or appropriate and/or as provided in the Declaration and other Governing Documents;

F. to borrow money, and to mortgage, pledge, deed in trust or otherwise encumber, alienate or hypothecate any or all of the Association's real or personal property as security for money borrowed or debts incurred to conduct the lawful affairs of the Association;

G. to act in the capacity of principal, agent, joint venturer, partner, or otherwise as the Association may deem necessary or appropriate and/or as provided in the Declaration and other Governing Documents;

H. to compromise and settle any and all claims, demands, liabilities and causes of action whatsoever held by or asserted against the Association upon such terms and conditions as the Board may determine, and the decisions of the Board as to any of the foregoing is final and conclusive; and,

I. to have and exercise any and all powers, rights and privileges which a corporation organized and existing under the Texas Non-Profit Corporation Act, may by law, now or hereafter have and exercise, including any and all powers, rights and privileges now or hereafter granted or permitted by the Declaration and other Governing Documents.

ARTICLE V

Initial Registered Office and Agent

The street address of the initial registered office of the Association is 2500 City West Boulevard, Suite 1350, Houston, Texas, 77042, and the name of its initial registered agent at such address is Marc D. Markel.

ARTICLE VI
Board of Directors

A. Initial Directors. The number of Directors constituting the initial Board of Directors of the Association is three (3), and the names and addresses of the persons who are to serve as the initial Directors are:

<u>Name</u>	<u>Address</u>
Douglas A. Brown	14905 Southwest Freeway Houston, Texas
Bernie Kane	14905 Southwest Freeway Houston, Texas
Todd Stoner	14905 Southwest Freeway Houston, Texas

B. Subsequent Directors. The initial Directors as provided above shall serve as the Directors until their successors are elected and qualified as provided in the Association's Bylaws. The number of Directors shall be fixed by, or in the manner provided in, the Declaration and the Association's Bylaws; provided, the number of Directors shall not be less than three (3), and no decrease in the number of Directors as provided in the Bylaws shall have the effect of shortening the term of any incumbent Director.

C. Resignation, Death, Failure, Incapacity, Removal or Refusal to Service of an Initial Director. In case of the resignation, death, failure, incapacity, removal or refusal to serve of any of the said initial directors prior to the end of the initial term, the remaining directors may appoint a substitute director or directors to serve the remainder of said initial term. The judgment of the directors, whether the directors are the initial directors or substitute directors in the expenditure of funds of this Association shall be final and conclusive, so long as such judgment is exercised in good faith.

ARTICLE VII
Incorporator

The name and street address of the incorporator is:

<u>Name</u>	<u>Address</u>
Marc D. Markel	2500 City West Boulevard, Suite 1350 Houston, Texas 77042

ARTICLE VIII
Membership

Every Person who is the "Owner" (as that term is defined in the Declaration) of a fee simple title or undivided fee simple title interest in any Lot that is subject to the Declaration shall be deemed to have a membership in the Association. The foregoing is not intended to include Persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate any Owner's membership. No Owner, whether one or more Persons, shall have more than one membership per Lot. Memberships shall be appurtenant to and may not be separated from ownership of any Lot, and shall automatically pass with the title to the Lot.

ARTICLE IX
Voting Rights of Members

A. Development Period: During the "Development Period" as defined in the Declaration there are two classes of membership in the Association which shall be as follows:

(i) Class "A": All Members in the Association other than the Declarant are Class "A" Members. Class "A" Members have no voting rights until termination of the Development Period except as otherwise expressly provided in the Declaration.

(ii) Class "B": Class "B" Members are those individuals or entities who are defined in the Declaration as "Declarant". During the Development Period, Declarant has one vote for each Lot owned and one "at large" vote as more particularly described in the Declaration.

B. Post-Development Period: Upon termination of the Development Period, any remaining Class "B" Membership shall automatically convert to Class "A" Membership. Thereafter, there will be only one class of voting membership, being Class "A" Members. Upon termination of the Development Period Class "A" Members are then entitled to one vote for each Lot owned except as to Members whose voting rights have been suspended as provided herein, or in the Declaration or in other applicable Governing Documents.

C. Multiple Owners: When more than one Person holds an ownership interest in a Lot, all such Persons shall be Members, but in no event shall they be entitled to more than one vote with respect to that particular Lot. When more than one Person holds an ownership interest in a Lot, the vote of all such joint Owners shall be exercised and controlled as provided in the Declaration.

D. Cumulative, Fractional and Split Voting Prohibited: Neither cumulative voting nor fractional or split voting shall be permitted as to any matter placed before the membership for a vote, including election of Directors.

E. Suspension of Voting Rights: Voting rights of any Member may be suspended for breach of the Governing Documents as that term is defined in and as otherwise provided in the Declaration.

ARTICLE X

Dissolution

In the event of the liquidation, dissolution or winding up of the Association, whether voluntary or involuntary, the Directors shall dispose of all property and assets of the Association, including, without limitation, all undistributed income earned thereon, after the payment, satisfaction and discharge of all liabilities and obligations of the Association, or the making of adequate provision therefore in such manner as they, in the exercise of their absolute discretion, and by majority vote, shall determine; provided, such disposition shall be exclusively in the furtherance of the purposes for which the Association is formed, and the property and the assets of the Association shall not accrue to the benefit of any officer, Director, Member, or any individual having a personal or private interest in the affairs of the Association or any organization which engages in any activity in which the Association is precluded from engaging.

ARTICLE XI

Limitation of Liability; Indemnification

A. General. Except for intentional misconduct, knowing violation of the law, or as otherwise provided by the Texas Non-Profit Corporation Act (including Article 1396-2.22A thereof, as amended), no Director of the Association shall be liable to the Association or any of its Members, and the Association shall not be liable to any Member, for monetary damages or otherwise for any act or omission in the Directors capacity as a Director or any act or omission of the Association within the scope, of its purposes. The Association shall indemnify and keep indemnified any Director or former Director to the fullest extent necessary for the accomplishment of the foregoing and to the fullest extent allowed by law, and hold any such Director or former Director harmless from and against all claims, demands, suits, judgments, court costs, attorneys fees, attachments and any and all other legal action or proceedings whatsoever as contemplated thereby. All provisions of this Article XI shall also apply to the incorporator herein named, to any officer or former officer of the Association, and to all Association committees and members thereof.

B. Liability Arising From Conduct of Owners. Each Owner, and each Owner's tenants, shall indemnify, and hold harmless, the Association, and its officers, Directors, servants, agents and employees from and against all claims, damages, suits, judgments, court costs, attorney's fees, attachments and any and all other legal actions or proceedings whatsoever caused or rising, directly or indirectly, through the willful or negligent act or omission of an Owner, the Owner's tenants, or the family, guests, invitees, servants, agents or employees of either.

C. Additional and/or Subsequent Authority. To the fullest extent provided in other Governing Documents, and if the Texas Non-Profit Corporation Act, Texas Miscellaneous Corporation Laws Act, Chapter 84 of the Texas Civil Practice and Remedies Code, or any other statute is enacted, construed or amended subsequently to the filing of these Articles of Incorporation to further eliminate or limit liability or further authorize indemnification than as authorized, permitted or required by this Article XI, then such liability shall be eliminated or limited and such right to indemnification shall be expanded to the full extent permitted by such other Governing Documents or by such statutory enactment, construction or amendment.

D. No Impairment. Any repeal or modification of this Article by the Members of the Association or otherwise shall not adversely affect any right or protection existing at the time of such repeal or modification.

E. Association's Insurance. The rights of indemnification herein provided may be insured against by policies maintained by the Association, shall be severable, shall not affect any other rights to which any director or officer now or hereafter may be entitled, shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors, and administrators of such a person.

F. Expense to Defend. Expenses in connection with the preparation and presentation of a defense to any claim, action, suit, or proceeding of the character described in Article XI hereof may be advanced by the Association before final disposition thereof upon receipt of an undertaking by or on behalf of the director or officers, secured by a surety bond or other suitable insurance issued by a company authorized to conduct such business in the State of Texas, to repay such amount if it is ultimately determined that he is not entitled to indemnification under Article XI.

ARTICLE XII **Capitalized Terms**

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 XIII **Security**

THE ASSOCIATION, ITS BOARD OF DIRECTORS AND OFFICERS, ITS MANAGER, EMPLOYEES, AGENTS AND/OR ITS ATTORNEYS, ("ASSOCIATION AND RELATED PARTIES") SHALL NOT IN ANY WAY BE CONSIDERED AN INSURER OR GUARANTOR OF SECURITY WITHIN THE PROPERTY. NEITHER SHALL THE ASSOCIATION AND RELATED PARTIES BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. LOT OWNER AND TENANT ON BEHALF OF THEMSELVES, ALL OCCUPANTS OF THE LOT BEING LEASED, GUESTS AND INVITEES OF ANY LOT OWNER OR RESIDENT, AS APPLICABLE, ACKNOWLEDGE THAT THE ASSOCIATION AND RELATED PARTIES DO NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION, BURGLAR ALARM SYSTEMS, ACCESS CONTROL SYSTEMS, PATROL SERVICES, SURVEILLANCE EQUIPMENT, MONITORING DEVICES, OR SECURITY SYSTEMS (IF ANY ARE PRESENT) WILL PREVENT LOSS BY FIRE, SMOKE, BURGLARY, THEFT, HOLD-UP OR OTHERWISE, NOR THAT FIRE PROTECTION, BURGLAR ALARM SYSTEMS, ACCESS CONTROL SYSTEMS, PATROL SERVICES, SURVEILLANCE EQUIPMENT, MONITORING DEVICES OR OTHER SECURITY SYSTEMS WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. LOT OWNER AND TENANT, ON BEHALF OF THEMSELVES, ALL OCCUPANTS OF THE LOT BEING LEASED, GUESTS AND INVITEES OF A LOT OWNER OR TENANT, AS APPLICABLE, ACKNOWLEDGES AND UNDERSTANDS THAT THE ASSOCIATION AND RELATED PARTIES ARE NOT AN INSURER AND THAT EACH LOT OWNER, TENANT AND OCCUPANT OF ANY LOT ON BEHALF OF THEMSELVES AND THEIR GUESTS AND INVITEES ASSUMES THE RISKS FOR LOSS OR DAMAGE TO PERSONS, TO LOTS AND TO THE CONTENTS OF LOTS AND FURTHER ACKNOWLEDGES THAT THE ASSOCIATION AND RELATED PARTIES HAVE MADE NO REPRESENTATIONS OR WARRANTIES NOR HAS ANY LOT OWNER OR TENANT ON BEHALF OF THEMSELVES AND THEIR GUESTS OR INVITEES RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR

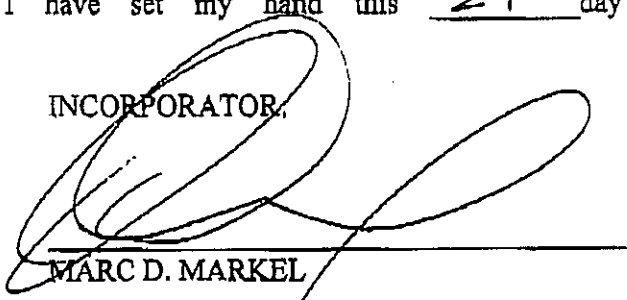
FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE PROTECTION, BURGLAR ALARM SYSTEMS, ACCESS CONTROL SYSTEMS, PATROL SERVICES, SURVEILLANCE EQUIPMENT, MONITORING DEVICES OR OTHER SECURITY SYSTEMS RECOMMENDED OR INSTALLED OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE PROPERTY.

ARTICLE XIV
Amendment

These Articles of Incorporation may be amended from time to time, in any and as many respects as may be desired, as provided in the Texas Non-Profit Corporation Act.

IN WITNESS WHEREOF, I have set my hand this 24th day of August, 2004.

INCORPORATOR,



MARC D. MARKEL



Office of the Secretary of State

August 25, 2004

Lawyer's Aid Service, Inc.
P. O. Box 848
Austin, TX 78767 USA

RE: BALLPARK III COMMUNITY ASSOCIATION, INC.
File Number: 800381508

It has been our pleasure to file the articles of incorporation and issue the enclosed certificate of incorporation evidencing the existence of the newly created corporation.

Corporations organized under the Texas Non-Profit Corporation Act do not automatically qualify for an exemption from federal and state taxes. Shortly, the Comptroller of Public Accounts will be contacting the corporation at its registered office for information that will assist the Comptroller in setting up the franchise tax account for the corporation. If you need to contact the Comptroller about franchise taxes or exemption therefrom, you may contact the agency by calling (800) 252-1381, by e-mail to tax.help@cpa.state.tx.us or by writing P. O. Box 13528, Austin, TX 78711-3528. Telephone questions regarding other business taxes, including sales taxes, should be directed to (800) 252-5555. Information on exemption from federal taxes is available from the Internal Revenue Service.

Non-profit corporations do not file annual reports with the Secretary of State, but do file a report not more often than once every four years as requested by the Secretary. It is important for the corporation to continuously maintain a registered agent and office in Texas as this is the address to which the Secretary of State will send a request to file a periodic report. Failure to maintain a registered agent or office in Texas, failure to file a change to the agent or office information, or failure to file a report when requested may result in involuntary dissolution of the corporation. Additionally, a non-profit corporation will file documents with the Secretary of State if the corporation needs to amend one of the provisions in its articles of incorporation.

If we can be of further service at any time, please let us know.

Sincerely,

Corporations Section
Statutory Filings Division
(512) 463-5555
Enclosure