



STATE OF TEXAS
OFFICE OF THE SECRETARY OF STATE
AUSTIN, TEXAS 78711

GEORGE W. STRAKE, JR.
SECRETARY OF STATE

JUNE 11, 1979

DEBRA LOVING-DICKERSON, HAMEL, EARLY KENEDY
2311 TWO ALLEN CENTER
HOUSTON, TX 77002

RE: CORNERSTONE TOWNHOMES HOMEOWNERS ASSOCIATION, INC.
CHAPTER NUMBER 477567-1

DEAR SIR:

IT HAS BEEN OUR PLEASURE TO APPROVE AND PLACE ON RECORD THE ARTICLES OF INCORPORATION THAT CREATED YOUR CORPORATION. WE EXTEND OUR BEST WISHES FOR SUCCESS IN YOUR NEW VENTURE.

AS A CORPORATION, YOU ARE SUBJECT TO THE FRANCHISE TAX LAWS. WE ARE INFORMED BY THE OFFICE OF THE COMPTROLLER OF PUBLIC ACCOUNTS THAT YOU WILL SOON BE CONTACTED BY THAT OFFICE CONCERNING THE PAYMENT OF AN INITIAL MINIMUM FRANCHISE TAX PAYMENT TO BE PAID WITHIN 45 TO 75 DAYS AFTER THE DATE OF YOUR CHARTER OR CERTIFICATE OF AUTHORITY.

YOU WILL BE ASSIGNED A TEMPORARY TAX IDENTIFICATION NUMBER UNTIL YOU SUPPLY THE COMPTROLLER'S OFFICE WITH YOUR FEDERAL EMPLOYERS IDENTIFICATION NUMBER. IF NO FEDERAL EMPLOYERS IDENTIFICATION NUMBER IS SUPPLIED, THE TEMPORARY NUMBER PREVIOUSLY ASSIGNED TO YOU WILL BECOME YOUR PERMANENT NUMBER.

UNDER THE FRANCHISE TAX LAWS, SOME NON-PROFIT CORPORATIONS ARE EXEMPT FROM THE PAYMENT OF FRANCHISE TAXES. ADDITIONALLY, SOME NON-PROFIT CORPORATIONS MAY ALSO BE EXEMPT FROM THE PAYMENT OF THE SALES AND USE TAX ON THE PURCHASE OF TAXABLE ITEMS. IF YOU FEEL THAT UNDER THE LAW YOUR CORPORATION IS ENTITLED TO BE EXEMPT FROM PAYMENT OF ONE OR BOTH OF THE TAXES, YOU MUST APPLY TO THE COMPTROLLER OF PUBLIC ACCOUNTS FOR SUCH EXEMPTION. THE SECRETARY OF STATE CANNOT MAKE SUCH DETERMINATION FOR YOUR CORPORATION.

IF WE CAN BE OF FURTHER SERVICE AT ANY TIME, PLEASE LET US KNOW.

VERY TRULY YOURS,
GEORGE W. STRAKE, JR.
SECRETARY OF STATE

BY: BILL KIMPELIGH
DIRECTOR, CORPORATION DIVISION

TELEX: 77-6494



The State of Texas
Secretary of State

CERTIFICATE OF INCORPORATION

OF

CORNERSTONE TOWNHOMES HOMEOWNERS ASSOCIATION, INC.
CHARTER NUMBER 477567

THE UNDERSIGNED, AS SECRETARY OF STATE OF THE STATE OF TEXAS,
HEREBY CERTIFIES THAT DUPLICATE ORIGINALS OF ARTICLES OF INCORPORATION
FOR THE ABOVE CORPORATION, DULY SIGNED AND VERIFIED, HAVE BEEN RECEIVED
IN THIS OFFICE AND ARE FOUND TO CONFORM TO LAW.

ACCORDINGLY THE UNDERSIGNED, AS SUCH SECRETARY OF STATE, AND BY
VIRTUE OF THE AUTHORITY VESTED IN HIM BY LAW, HEREBY ISSUES THIS
CERTIFICATE OF INCORPORATION AND ATTACHES HERETO A DUPLICATE ORIGINAL
OF THE ARTICLES OF INCORPORATION.

DATED JUNE 1, 1979

ARTICLES OF INCORPORATION

OF

JUN 1 1979

CORNERSTONE TOWNHOMES HOMEOWNERS
ASSOCIATION, INC.

Patrick Brice
Attorney, Corporation Division

We, the undersigned natural persons of the age of twenty-one years or more, at least two of whom are citizens of the State of Texas, do hereby adopt the following as Articles of Incorporation for such corporation.

ARTICLE I

The name of the corporation is CORNERSTONE TOWNHOMES HOMEOWNERS ASSOCIATION, INC., hereinafter sometimes called the "Corporation" or the "Association".

ARTICLE II

The Corporation is a non-profit corporation.

ARTICLE III

The period of its duration is perpetual.

ARTICLE IV

The purpose or purposes for which the Corporation is organized are to provide for maintenance, preservation and architectural control of the residential building lots (hereinafter "Lot"), improvements thereon, and Common Area within that certain tract of property described in the attached Exhibit "A", and to promote the recreation, health, safety and welfare of the residents within the above described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association for this purpose to:

(a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions, hereinafter called the "Declaration", applicable to the property

and recorded or to be recorded in the office of the County Clerk of Harris County, Texas, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

(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 Association, including all licenses, taxes or governmental charges levied or imposed against the property by the Association;

(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 Association;

(d) borrow money, and with the assent of two-thirds ($2/3$) of each class of members 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 any part of the Common Area to any public agency, authority, or utility for any service to the property above described and additions thereto, or any part thereof, in accordance with the terms and provisions of the Declaration;

(f) participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional residential property

and Common Area, provided that any such merger, consolidation or annexation shall have the assent of two-thirds (2/3) of each class of members, or as may be provided for in said Declaration;

(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.

ARTICLE V

Subject to the provisions of Article VI, every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

ARTICLE VI

The Association shall have two classes of voting membership.

Class A. Class A members shall be all Owners with the exception of the Declarant and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member(s) shall be the Declarant (as defined in the Declaration), and shall be entitled to three (3) votes for each Lot owned. The Class B

membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or
- (b) on December 1, 1980.

ARTICLE VII

The affairs of this Association shall be managed by a Board of three (3) directors who need not be members of the Association. The number of directors may be changed by amendment of the By-Laws of the Association. The members of the initial board of directors, or their, successors, shall serve until the first annual meeting of the members. In case of the resignation, death, or failure, incapacity, or refusal to serve of any of the said initial directors prior to said time, the remaining directors may appoint a substitute director or directors to serve the remainder of said period. The judgment of the directors, whether the directors are the initial directors or substitute directors, whether the directors are the initial directors or substitute directors in the expenditure of funds of this corporation shall be final and conclusive, so long as such judgment is exercised in good faith.

At the first annual meeting the members shall elect one director for a term of one year, one director for a term of two years and one director for a term of three years; and at each annual meeting thereafter the members shall elect one director for a term of three years.

ARTICLE VIII

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds

(2/3) of each class of members. 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 non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE IX

Until January 1, 1980, these Articles may be amended or altered by a majority vote of the Board of Directors. Thereafter, amendment of these Articles shall require the assent of two-thirds (2/3) of the votes of the entire membership of each class of members.

ARTICLE X

The street address of the initial registered office of the corporation is 6411-A Ashcroft, Houston, Texas 77081, and the name of the registered agent at such address is A. J. Howeth.

ARTICLE XI

The number of directors constituting the initial board of directors of the Corporation is three (3) and the names and addresses of the persons who are to serve as the initial directors are:


1. A. J. Howeth
6411-A Ashcroft
Houston, Texas 77081
2. Jack W. Howeth
6411-A Ashcroft
Houston, Texas 77081
3. Earl Kurtz
6411-A Ashcroft
Houston, Texas 77081

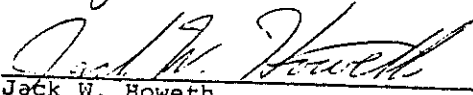
ARTICLE XII

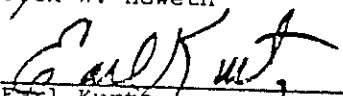
The name and street address of each incorporator is:

1. A. J. Howeth
6411-A Ashcroft
Houston, Texas 77081
2. Jack W. Howeth
6411-A Ashcroft
Houston, Texas 77081
3. Earl Kurtz
6411-A Ashcroft
Houston, Texas 77081

IN WITNESS WHEREOF, we have hereunto set our hands, this 30 day of May, 1979.

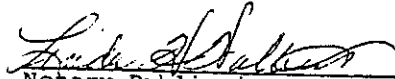

A. J. Howeth


Jack W. Howeth


Earl Kurtz

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

I, the undersigned, a Notary Public, do hereby certify that on this 30th day of May, 1979, personally appeared before me A. J. HOWETH, who, being by me first duly sworn, declared that he is the person who signed the foregoing document as incorporator, and that the statements therein contained are true.




Notary Public in and for
Harris County, Texas

My Commission Expires:

Jun 12, 1980

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

I, the undersigned, a Notary Public, do hereby certify that on this 30th day of May, 1979, personally appeared before me JACK W. HOWETH, who, being by me first duly sworn, declared that he is the person who signed the foregoing document as incorporator, and that the statements therein contained are true.




Notary Public in and for
Harris County, Texas

My Commission Expires:

Jun 12, 1980

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

I, the undersigned, a Notary Public, do hereby certify that on this 30th day of May, 1979, personally appeared before me EARL KURTZ, who, being by me first duly sworn, declared that he is the person who signed the foregoing document as incorporator, and that the statements therein contained are true.



Notary Public in and for
Harris County, Texas

My Commission Expires:

Jun 12, 1980

THE STATE OF TEXAS §
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally came and appeared A. J. HOWETH, known to me to be the person whose name is subscribed to the above and foregoing instrument and acknowledged to me that he executed same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 30th
day of May, 1979.

Linda S. Sattler
Notary Public in and for
Harris County, Texas

My Commission Expires:

June 12, 1980

THE STATE OF TEXAS §
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally came and appeared JACK W. HOWETH, known to me to be the person whose name is subscribed to the above and foregoing instrument and acknowledged to me that he executed same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 30th
day of May, 1979.

Linda S. Sattler
Notary Public in and for
Harris County, Texas

My Commission Expires:

June 12, 1980

THE STATE OF TEXAS §
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally came and appeared EARL KURTZ, known to me to be the person whose name is subscribed to the above and foregoing instrument and acknowledged to me that he executed same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 30th
day of May, 1979.

Linda S. Sattler
Notary Public in and for
Harris County, Texas

My Commission Expires:

June 12, 1980