

**FILED**  
In the Office of the  
Secretary of State of Texas

NOV 14 2005

**ARTICLES OF INCORPORATION  
OF  
CHAMPIONS TRAIL HOMEOWNERS ASSOCIATION, INC. Corporations Section**

The undersigned, a natural person of the age of eighteen (18) years or more, and a citizen of the State of Texas, 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**

The name of the corporation is CHAMPIONS TRAIL HOMEOWNERS ASSOCIATION, INC. (hereinafter referred to as the "*Association*").

**ARTICLE TWO**

The Association is a non-profit corporation organized pursuant to the provision of the Texas Non-Profit Corporation Act. No part of the income of the Association shall inure to the benefit of any of its members or any other individual. The Association shall not carry on any activity for the profit of its members, or distribute any gains, profits, or dividends to any of its members or engage, except to an insubstantial degree, in any activities which are not in the furtherance of the primary purpose of the Association.

**ARTICLE THREE**

The period of the corporation's duration is perpetual.

**ARTICLE FOUR**

The street address of the initial registered office of the Association is 11000 Corporate Centre Drive, Suite 150, Houston, Texas 77041, and the name of its initial registered agent at such address is Parker & Company, Inc., Consulting, Management & Investments d/b/a Principal Management Group of Houston.

**ARTICLE FIVE**

The primary purpose for which this Association is formed is to be and constitute the corporation to which reference is made in that certain Declaration of Covenants, Conditions and Restrictions for CHAMPIONS TRAIL (the "*Declaration*") executed by RH of Texas Limited Partnership and recorded or to be recorded in the Office of the County Clerk of Harris County, Texas, as the same may be amended from time to time in accordance with the provisions thereof, to exercise all rights and powers specified in the Declaration, in the Association's bylaws (the "*Bylaws*"), and as provided by law, and to further the interests of the owners of the property

subject to the Declaration, and such other property as may hereafter be annexed to the jurisdiction of the Association.

In furtherance of its purposes, the Association shall have the following powers, which, unless indicated otherwise by the Declaration or the Bylaws, may be exercised by the Association's 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 Declaration, or the Bylaws, including, without limitation, the following:
  - (i) preparing and adopting annual budgets of the Association's expenses;
  - (ii) making assessments to defray the Association's expenses as set forth in the Declaration and collecting such assessments;
  - (iii) providing for the operation, care, upkeep, and maintenance of all of the property and facilities owned by the Association and the property and facilities within or in the vicinity of the property within the jurisdiction of the Association not owned by the Association as set forth in the Declaration;
  - (iv) designating, hiring, and dismissing the personnel necessary for the operation of the Association and the maintenance, operation, repair, and replacement of its property and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;
  - (v) designating, hiring, and dismissing the personnel necessary for the operation of the Association and the maintenance, operation, repair, and replacement of its property and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;
  - (vi) collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to operate the Association;
  - (vii) making and amending rules and regulations;
  - (viii) opening bank accounts on behalf of the Association and designating the signatories required;

- (ix) making or contracting for the making of repairs, additions, and improvements to or alterations of the Association's property in accordance with the provisions of the Declaration after damage or destruction by fire or other casualty;
- (x) enforcing the covenants, conditions, and restrictions created by the Declaration, and the rules and regulations adopted by the Association, and bringing any proceedings which may be instituted on behalf of or against the owners of property subject to the Declaration;
- (xi) obtaining and carrying insurance against casualties and liabilities as provided in the Declaration, including directors and officers liability insurance, and paying the premium cost thereof;
- (xii) paying the cost of all services rendered to the Association or its members and not chargeable directly to specific owners;
- (xiii) keeping books with detailed account of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred;
- (xiv) making available (for a reasonable charge) to any prospective purchaser of a portion of the property subject to the Declaration or any mortgagee, and the holders, insurers, and guarantors of a mortgage, current copies of the Declaration, these Articles, the Bylaws, the rules governing such property and all other books, records, and financial statements of the Association;
- (xv) permitting utility suppliers and suppliers of other services to use portions of the Association's property;
- (xvi) engaging in activities which will foster, promote, and advance the common interests of the owners of property subject to the Declaration;
- (xvii) buying or otherwise acquiring, selling, or otherwise disposing of, mortgaging, or otherwise encumbering, exchanging, leasing, holding, using, operation, and otherwise dealing in and with real and personal property of all kinds and any right or interest therein for any purpose of the Association, which shall include the power to foreclose its lien on any property subject to the Declaration, by judicial or nonjudicial means;
- (xviii) borrowing money for any purpose subject to such limitations as may be contained in the Declaration or the Bylaws;
- (xix) entering into, making, performing, and enforcing contracts of every kind and description; and doing 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 entity or agency, public or private;

- (xx) acting as agent, trustee, or other representative of other corporations, firms, or individuals, and as such to advance the business or ownership interest in such corporations, firms, or individuals;
- (xxi) adopting, altering, and amending or repealing such Bylaws as may be necessary or desirable for the property management of the affairs of the Association; provided, however, such Bylaws may not be inconsistent with or contrary to any provisions of the Declaration; and
- (xxii) providing or contracting for services benefiting 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; and the powers specified in each of the paragraphs of this Article are independent powers, not to be restricted by reference to or inference from the terms of any other paragraph or provision of this Article.

#### ARTICLE SIX

The Association shall be a membership corporation without certificates or shares of stock. Each and every person or entity who owns a Lot (as defined in the Declaration) within the property subject to the jurisdiction of the Association, including contract sellers, but excluding any person or entity who holds an interest merely as security for the performance of an obligation or those owning an easement right, a mineral interest, or a royalty interest, shall be a member of the Association (each of such persons or entities being hereinafter referred to as an "Owner"). Membership in the Association shall be appurtenant to and may not be separated from ownership of a Lot.

#### ARTICLE SEVEN

The Association shall have two classes of membership:

(a) Class A. Class "A" Members shall be all Owners with the exception of the Class "B" Members. Class "A" Members shall be entitled to one (1) vote for each Lot of which they are the Owner. In the event the Owner of a Lot is one or more persons or entities, the vote for such Lot shall be exercised as those Members among themselves determine, but in no event shall more than one vote be cast with respect to each Lot in which such Members own undivided interests. The vote for such Lot shall be suspended in the event more than one Member seeks to exercise it. The voting rights of a Lot owned by a corporation, a partnership or other entity shall be exercised by the individual designated from time to time by the Owner in a written instrument provided to the Secretary of the Association.

(b) Class B. The Class "B" Members shall be (i) the Declarant (as defined in the Declaration) and (ii) those Builders (as defined in the Declaration) selected by the Declarant. Class "B" Members shall be entitled to three (3) votes for each Lot of which they are the Owner.

The Class "B" membership shall cease and be converted to Class "A" membership on the earlier of (i) the date that the number of Class "A" votes equals the number of Class "B" votes or (ii) December 31, 2010 or such earlier date that the Declarant, in its discretion, determine and specify in an instrument recorded in the real property records of Harris County, Texas.

## ARTICLE EIGHT

The Association shall act through a board of directors (the "*Board of Directors*" or the "*Board*") containing a minimum of three (3) and a maximum of five (5) members, which shall manage the affairs of the Association as specified in the Bylaws. The initial Board shall contain three (3) members and the names and addresses of the initial Board of Directors who are to serve until their successors are appointed or elected are:

- (1) Ernest Loeb  
Ryland Homes  
5353 West Sam Houston Parkway North, Suite 100  
Houston, Texas 77041
- (2) Steve Becker  
Ryland Homes  
5353 West Sam Houston Parkway North, Suite 100  
Houston, Texas 77041
- (3) Brian Williams  
Ryland Homes  
5353 West Sam Houston Parkway North, Suite 100  
Houston, Texas 77041

The number of directors may be changed by the Board at any time, within the above specified minimum and maximum numbers, provided that a reduction in the number of directors shall not shorten the term of any director. The method of appointment or election of members of the Board, removal and filling of vacancies, and the term of office of directors shall be as set forth in the Bylaws. The Board may delegate such operating authority to such companies, individuals or committees as it, in its discretion, may determine.

## ARTICLE NINE

The Bylaws of the Association may be amended at any time by majority vote of the Board of Directors.

### ARTICLE TEN

The Association reserves the right to amend or repeal any provision of these Articles in the manner now or hereafter prescribed by law; provided, however, any amendment of these Articles must be approved by two-thirds (2/3rds) vote of each class of the members of the Association who are voting, in person or by proxy, at a meeting duly called for such purpose.

### ARTICLE ELEVEN

In the event of the dissolution of the Association, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which the 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 TWELVE

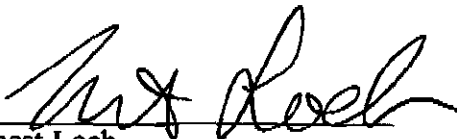
The name and address of the incorporator of the Association is:

Ernest Loeb 5353 West Sam Houston Parkway North, Suite 100  
Houston, Texas 77041

### ARTICLE THIRTEEN

The Association shall indemnify any person who is or was a director of the Association against judgments, penalties, fines, settlements, and reasonable expenses actually incurred by such person in connection with any action, suite, or proceeding, whether civil or criminal in nature, in which he is made a party by reason of being or having been a director or serving at the Association's request to the fullest extent permitted by the Texas Non-Profit Corporation Act or the Texas Miscellaneous Corporation Laws Act.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of State of Texas, the undersigned has executed these Articles of Incorporation this 11 day of Nov., 2005.

  
Ernest Loeb