

FILED
In the Office of the
Secretary of State of Texas
JAN 03 2018
Corporations Section

Certificate of Formation

Lake House Community Association, Inc.

The undersigned acting as organizer of a corporation under the Texas Business Organizations Code, does hereby adopt the following Certificate of Formation for such corporation:

ARTICLE I

The name of the corporation is Lake House Community Association, Inc., hereafter referred to as "Association".

ARTICLE II

The Association is a Texas non-profit corporation, and shall have all the powers and duties specified in and allowable under the Texas Business Organizations Code. No part of the assets or net earnings of the Association shall inure to the benefit of, or be distributable to its members, directors, trustees, officers, or other private persons, except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distribution in furtherance of the purposes set forth in Article IV below. No substantial part of the activities of the Association shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Association shall not participate in, or intervene in (including publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of this Certificate of Formation, the Association shall not carry on any other activities not permitted to be carried on by a Association exempt from federal income tax under Section 501(c)(4) of the Internal Revenue Code or corresponding section of any future federal tax code.

ARTICLE III

The period of the Association's duration is perpetual.

ARTICLE IV

The purposes for which the Association is formed are:

- (a) The enforcement and administering of the provisions of the Declaration of Covenants, Conditions and Restrictions for Lake House (the "Declaration") which has been or will be recorded in the Official Public Records of Waller County, Texas (the "Subdivision") and any other property which is subsequently annexed and made subject to the authority of the Association. In order to carry out such general purposes, the Association shall have the general power to:
 - (1) Fix Assessments (or charges) to be levied against Lots, and establish services, without the obligation to so provide, for the benefit of the Members;
 - (2) Insofar as permitted by law, this Certificate of Formation, the Bylaws, the Declaration or any other Dedicatory Instruments, to do any other

thing of a similar nature that will promote the common benefit and enjoyment of the Owners of the Subdivision, as authorized by the Certificate of Formation, Bylaws, Declaration, any other Dedicatory Instrument or permitted by law.

(b) Without limiting the foregoing general statement of purposes and powers, the Association shall have the power to:

(1) Cause to be kept a complete record of all its receipts and disbursements hereunder and maintain a statement thereof and a summary of the major activities on an annual basis;

(2) Monitor all agents and employees of the Association hereunder and to see that their duties are properly performed;

(3) Fix, levy and collect the amount of the Assessments and other charges to be levied against each Lot;

(4) 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 Association, which shall include the power to foreclose its lien on any property subject to the Declaration by judicial or non-judicial means;

(5) Procure and maintain liability insurance upon the Board of Directors, its agents and employees, and insurance as deemed appropriate by the Board of Directors on Association assets or any other proper purpose;

(6) Exercise all powers reasonably necessary to effectuate the purposes of the Association;

(7) Manage, control, operate, maintain, preserve, repair and improve the Common Areas and any property subsequently acquired by the Association, or any other property owned by another for which the Association, by rule, regulation, Declaration, or contract, has a right or duty to provide such services.

(8) Borrow money for any purpose subject to such limitations as may be contained in the Dedicatory Instruments;

(9) 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, including but not limited to enforcement of the architectural control provisions contained in the Declaration;

(10) Provide or contract for services benefiting the Subdivision and/or the Owners including, without limitation or obligation, garbage removal and any and all supplemental municipal services as may be necessary or desirable;

(11) Contract with other associations, organizations, or groups to provide for the maintenance of property adjacent to or adjoining the Subdivision;

- (12) Spend money for the improvement or maintenance of property in the vicinity of the Subdivision subject to the Declaration, or adjacent to or adjoining such property;
- (13) Suspend the rights of any Owner, their guests or tenants to vote or use the Common Areas;
- (14) Promulgate reasonable rules and regulations, adopt Board policies, and implement fines for violation of said rules and regulations;
- (15) Enforce any and all covenants, conditions, restrictions and agreements applicable to the Subdivision;
- (16) Compromise, participate in mediation, submit to arbitration, release with or without consideration, extend time for payment, and otherwise adjust any claims in favor of or against the Association;
- (17) Commence or defend any litigation in the Association's name with respect to the Association or any Association property; and
- (18) Control the appearance of the Subdivision.

The foregoing enumeration of powers shall, except where otherwise expressed, be in no way limited or restricted by any reference to or inference from the terms or provisions of any other clause, but shall be regarded as independent powers.

The Association shall not engage in any activities or exercise any powers that are not in furtherance of the purposes of the Association as set forth above in Paragraphs (a) and (b) of this Article IV. The Association is organized pursuant to the Texas Business Organizations Code and does not contemplate pecuniary gain or profit to the members thereof and is organized for non-profit purposes and nothing contained in the foregoing statement of purposes shall be construed to authorize the Association to carry on any activity for the profit of its members, or to distribute any gains, profits or dividends to its members as such.

ARTICLE V

The Association shall be a membership corporation without certificates or shares of stock. Every person or entity, other than the Association, who is a record owner of any property subject to the Declaration is a member of the Association. The Members shall be divided into classes and entitled to vote in accordance with the provisions contained in the Bylaws and the Declaration.

ARTICLE VI

The mailing address of the initial registered office of the Association is 16340 Park Ten Place, Suite 250, Houston, Texas 77084, and the name of its initial registered agent at such address is Ms. Lindsey Farmer.

ARTICLE VII

The business and affairs of the Association 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 initial Board of Directors shall consist of the following three (3) members appointed by the Class B Member, or their replacements, and shall serve pursuant to the provisions set forth in the Bylaws and/or the Declaration:

Name	Address
1. Collins Pier	16340 Park Ten Place, Suite 250 Houston, TX 77084
2. Daniel Gillham	16340 Park Ten Place, Suite 250 Houston, TX 77084
3. Lindsey Kucera	16340 Park Ten Place, Suite 250 Houston, TX 77084

The number of directors may be changed pursuant the Bylaws.

ARTICLE VIII

This Certificate of Formation may be amended by at least two-thirds (2/3) of the votes that Members present in person or by proxy are entitled to cast at a meeting of the Members at which the action is submitted for a vote, provided, however, during the Development Period, the joinder of the Declarant will also be required.

ARTICLE IX

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 Association shall not be liable to the Association for monetary damages for an act or omission in the director's capacity as a director. Any amendment of this Certificate of Formation shall not adversely offset any limitation on the personal liability of a director of the Association existing at the time of such repeal or amendment.

- (a) Subject to the exceptions and limitations contained in Article IX
- (b) hereof:

- (1) Every person who is or has been a director, officer, or managing agent of the Association shall be indemnified by the Association to the fullest extent permitted by law against liability and against all expenses reasonably incurred or paid by him in connection with any demand, claim, action, suit (or threat thereof) or proceeding in which he becomes involved as a party or otherwise by virtue of his being or having been a director or officer

and against amounts paid or incurred by him in the settlement thereof;

(2) The words "claim," "action," "suit," or "proceeding" shall apply to all claims, actions, suits, or proceedings (civil, criminal, or other, including appeals), actual or threatened, made or commenced subsequent to the adoption of this Certificate of Formation; and the words "liability" and "expenses" shall include, without limitation, attorneys' fees, costs, judgments, amounts paid in settlement, fines, penalties, and other liabilities.

(b) No indemnification shall be provided hereunder to a director or officer or any other individual:

(1) Against any liability to the Association by reason of willful misfeasance, bad faith, gross negligence, breach of fiduciary duty, criminal misconduct or reckless disregard of the duties involved in the conduct of his office;

(2) With respect to any matter as to which he shall have been finally adjudicated not to have acted in good faith in the reasonable belief that his action was in the best interest of the Association;

(c) 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.

(d) Expenses in connection with the preparation and presentation of a defense to any claim, action, suit, or proceeding of the character described in Article IX hereof may not be advanced by the Association before final disposition thereof upon receipt of an undertaking by or on behalf of the director or officer, unless covered by the Association's insurance issued by a company authorized to conduct such business in the State of Texas.

ARTICLE X

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 SUBDIVISION. 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, GUARD HOUSES, 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 SUBDIVISION.

ARTICLE XI

The Association may be wound-up and/or terminated only as provided in the Bylaws and by the laws of the State of Texas.

ARTICLE XII

The name and street address of the organizer is:

Name	Address
Daniel Gillham	16340 Park Ten Place, Suite 250 Houston, TX 77084

ARTICLE XIII

In case of the resignation, death, failure, incapacity, removal or refusal to serve of any director, the remaining directors may appoint a substitute director or directors to serve the remainder of said term, provided that during the Development Period, the Class B Member shall approve of such appointment. The judgment of the directors, whether the directors are the initial directors or substitute directors in the expenditure of funds of the Association shall be final and conclusive, so long as such judgment is exercised in good faith.

ARTICLE XIV

The Bylaws of the Association shall be adopted by the Board of Directors of the Association and shall thereafter be amended or altered by a majority vote of the Board of Directors of the Association.

ARTICLE XV

All capitalized terms used in this Certificate of Formation shall be defined in the same manner as defined in the Dedicatory Instruments, which definitions are incorporated herein by this reference.

IN WITNESS WHEREOF, for the purpose of forming the Association under the laws of the State of Texas, I, the undersigned, constituting the organizer of the Association, have executed this Certificate of Formation on this the 11 day of December, 2017.

ORGANIZER:

By: *Daniel Gillham*
DANIEL GILLHAM, Organizer