

CERTIFICATE OF FORMATION
STONEBROOKE 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 Stonebrooke Community Association, Inc., hereafter referred to as the "*Association*".

ARTICLE II

The Association is a Texas nonprofit corporation and has 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 will inure to the benefit of, or will be distributable to its Members, directors, trustees, officers, or other private persons, except that the Association is authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article IV below. No substantial part of the activities of the Association may entail the carrying on of propaganda, or otherwise attempting to influence legislation, and the Association may not participate in, or intervene in (including the publication 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 may not carry on any other activities not permitted to be carried on by an association exempt from federal income tax under Section 501(c)(4) of the Internal Revenue Code or a 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 administration of the provisions of the Declaration of Covenants, Conditions and Restrictions for Stonebrooke (the "*Declaration*"), which has been or will be recorded in the Official Public Records of Montgomery County, Texas, and which restricts the Stonebrooke development located in Montgomery County, Texas and any other property which is subsequently annexed thereto and made subject to the authority of the Association (the "*Property*"). In order to carry out such general purposes, the Association has 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 Instrument, to do any other thing of a similar nature that will promote the common benefit and enjoyment of the Owners.

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

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

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

(3) Fix, levy and collect the amount of 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 includes 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 for Association assets or for 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 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 Property 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 Property;

(12) Spend money for the improvement or maintenance of property in the vicinity of the Property subject to the Declaration, or adjacent to or adjoining such property;

(13) Suspend the rights of any Owner or Occupant to vote or use the Common Areas;

(14) Promulgate reasonable rules and regulations, adopt Board policies, and implement fines for violations of the Dedicatory Instruments;

(15) Enforce any and all covenants, conditions, restrictions and agreements applicable to the Property;

(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 Property.

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

The Association may 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, does not contemplate pecuniary gain or profit to the Members thereof, is organized for nonprofit purposes, and nothing contained in the foregoing statement of purposes will 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 is a membership corporation without certificates or shares of stock. Except as provided in the Declaration, 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 are divided into classes and entitled to vote in accordance with the provisions contained in the Bylaws and the Declaration.

ARTICLE VI

The initial mailing address of the Association is 101 Parklane Blvd., Suite 102, Sugar Land, TX 77478.

ARTICLE VII

The mailing address of the initial registered office of the Association is 101 Parklane Blvd., Suite 102, Sugar Land, TX 77478, and the name of its initial registered agent at such address is Travis Janik.

ARTICLE VIII

The business of the Association is conducted, managed and controlled by a Board of Directors (the "*Board*"). 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 consists of the following members appointed by the Class B Member, or their replacements, and such members serve pursuant to the provisions set forth in the Bylaws and the Declaration:

| | <u>Name</u> | <u>Address</u> |
|----|---------------|---|
| 1. | Mark Janik | 101 Parklane Blvd., Suite 102 Sugar Land, TX 77478 |
| 2. | Kevin Browder | 101 Parklane Blvd., Suite 102 Sugar Land, TX 77478 |
| 3. | Travis Janik | 101 Parklane Blvd., Suite 102 Sugar Land, TX 77478 |

The number of directors may be changed pursuant to the Bylaws.

ARTICLE IX

This Certificate of Formation may be amended by at least 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 Declarant will also be required.

ARTICLE X

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 of the Association will 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 may 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 X (b) hereof:

(1) Every person who is or has been a director, officer, or managing agent of the Association will 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" 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" include, without limitation, attorneys' fees, costs, judgments, amounts paid in settlement, fines, penalties, and other liabilities.

(b) No indemnification will be provided hereunder to a director, 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; or

(2) With respect to any matter as to which he has 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, will be severable, will not affect any other rights to which any director or officer now or hereafter may be entitled, will continue as to a person who has ceased to be a director or officer, and will 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 X 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 XI

THE ASSOCIATION, ITS BOARD OF DIRECTORS AND OFFICERS, ITS MANAGER, EMPLOYEES, AGENTS AND ITS ATTORNEYS ("**ASSOCIATION AND RELATED PARTIES**"), MAY NOT IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY WITHIN THE PROPERTY. NEITHER THE ASSOCIATION NOR THE RELATED PARTIES WILL 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 ALL OCCUPANTS OF THE LOT, 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, GUARD HOUSES, 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 ALL OCCUPANTS, AS APPLICABLE, ACKNOWLEDGE AND UNDERSTAND THAT THE ASSOCIATION AND RELATED PARTIES ARE NOT INSURERS AND THAT EACH LOT OWNER AND OCCUPANT ASSUMES THE RISKS FOR LOSS OR DAMAGE TO PERSONS, TO LOTS AND TO THE CONTENTS OF LOTS AND FURTHER ACKNOWLEDGE THAT THE ASSOCIATION AND RELATED PARTIES HAVE MADE NO REPRESENTATIONS OR WARRANTIES, NOR HAS ANY LOT OWNER OR OCCUPANT 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, GUARD HOUSES, SURVEILLANCE EQUIPMENT, MONITORING DEVICES OR OTHER SECURITY

SYSTEMS RECOMMENDED OR INSTALLED OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE PROPERTY.

ARTICLE XII

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 XIII

The name and street address of the organizer is:

| <u>Name</u> | <u>Address</u> |
|-------------|--|
| Casson Wen | 2800 Post Oak Blvd., 57 th Floor Houston, TX 77056 |

ARTICLE XIV

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 has the right to approve of such appointment. The judgment of the directors, whether the directors are the initial directors or substitute directors, in the expenditure of the funds of the Association will be final and conclusive, so long as such judgment is exercised in good faith.

ARTICLE XV

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

ARTICLE XVI

All capitalized terms used in this Certificate of Formation are defined in the same manner as set forth in the Declaration and the interpretation provision set forth in the Declaration applies to this Certificate of Formation, which definitions and interpretation provision 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 29th day of July, 2022.

ORGANIZER:

By: 
Casson Wen, Organizer