

**ATTACHMENT 1**

**CERTIFICATE OF FORMATION**



## Office of the Secretary of State

April 15, 2019

CT Corporation System  
701 Brazos, Ste. 720  
Austin, TX 78701 USA

RE: Pecan Square Residential Community Association, Inc.  
File Number: 803291799

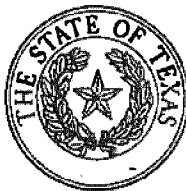
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It has been our pleasure to file the certificate of formation and issue the enclosed certificate of filing evidencing the existence of the newly created nonprofit corporation.

Nonprofit corporations 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. Information about franchise tax, and contact information for the Comptroller's office, is available on their web site at <http://window.state.tx.us/taxinfo/franchise/index.html>. For information on state tax exemption, including applications and publications, visit the Comptroller's Exempt Organizations web site at <http://window.state.tx.us/taxinfo/exempt/index.html>. Information on exemption from federal taxes is available from the Internal Revenue Service web site at [www.irs.gov](http://www.irs.gov).

Nonprofit 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 the involuntary termination of the corporation. Additionally, a nonprofit corporation will file documents with the Secretary of State if the corporation needs to amend one of the provisions in its certificate of formation. If we can be of further service at any time, please let us know.

Sincerely,

Corporations Section  
Business & Public Filings Division  
(512) 463-5555  
Enclosure



## Office of the Secretary of State

### CERTIFICATE OF FILING OF

Pecan Square Residential Community Association, Inc.  
File Number: 803291799

The undersigned, as Secretary of State of Texas, hereby certifies that a Certificate of Formation for the above named Domestic Nonprofit Corporation has been received in this office and has been found to conform to the applicable provisions of law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the secretary by law, hereby issues this certificate evidencing filing effective on the date shown below.

The issuance of this certificate 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: 04/12/2019

Effective: 04/12/2019



A handwritten signature in black ink, appearing to read "David Whitley".

David Whitley  
Secretary of State

**FILED**  
In the Office of the  
Secretary of State of Texas  
APR 12 2019  
Corporations Section

**CERTIFICATE OF FORMATION  
OF  
PECAN SQUARE RESIDENTIAL COMMUNITY ASSOCIATION, INC.**

The undersigned natural person of the age of 18 years or more, acting as an organizer of a nonprofit corporation under the Texas Nonprofit Corporation Law (the "TNCL"), as amended, hereby adopts the following Certificate of Formation of the Association (this "Certificate of Formation") for such Association:

**ARTICLE I  
NAME**

The name of the Association is Pecan Square Residential Community Association, Inc.

**ARTICLE II  
DEFINITIONS**

The following terms are defined for use in this Certificate of Formation and those capitalized terms used herein but not expressly defined herein have the same meaning as defined in the Declaration (defined below):

"Architectural Guidelines." Any procedural or substantive rules, guidelines, criteria, standards and procedures that may be adopted by Declarant, or the Board, from time to time, regarding the design, standards, development, planning and construction of Improvements and the use or occupancy of the Lots, as the same may be amended from time to time.

"Association." Pecan Square Residential Community Association, Inc., a Texas nonprofit corporation, and for the purposes of Section 8.1 of this Certificate of Formation, also includes any domestic or foreign successor entity of the Association in a merger, consolidation, or other transaction in which the liabilities of the predecessor are transferred to the Association by operation of law and in any other transaction in which the Association assumes the liabilities of the predecessor but does not specifically exclude liabilities that are the subject matter of Article VIII of this Certificate of Formation.

"Board of Directors." Those individuals serving as Directors as appointed by Article XII of this Certificate of Formation and their successors as duly appointed and qualified from time to time.

"Bylaws." The Bylaws of the Association.

"Declaration." The Declaration of Covenants, Conditions and Restrictions for Pecan Square Residential Community filed of record in the Real Property Records of Denton County, Texas, and all recorded amendments thereto.

"Director." A member of the Board of Directors, and for the purposes of Article VIII of this Certificate of Formation, any individual who is or was a director of the Association and any individual who, while a director of the Association, is or was serving at the request of the Association as a director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic association, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise.

**"Governmental Authority."** Any and all applicable courts, boards, agencies, commissions, offices or authorities of any nature whatsoever for any governmental entity (federal, state, county, district, municipal, city or otherwise) whether now or hereafter in existence.

**"Governing Documents."** Those documents governing the Property and listed in Article II of the Declaration, including but not limited to: (a) the Act; (b) the Declaration, as amended by any Supplemental Declaration or amendment; (c) the Bylaws; (d) this Certificate of Formation (e) the Architectural Guidelines; (f) Rules and Regulations and (g) any other policies adopted by the Board and recorded in the Real Property Records of the County.

**"Majority Vote of Members."** Shall have the meaning assigned to such term in Section 6.2 of this Certificate of Formation.

**"Official Capacity."** (a) When used with respect to a Director, the office of Director in the Association; and (b) when used with respect to an individual other than a Director, the elective or appointive office in the Association held by the officer or the employment or agency relationship undertaken by the employee or agent on behalf of the Association; but (c) both (a) and (b) above do not include service for any other foreign or domestic association or any partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise.

**"Person."** Any individual, corporation, partnership, limited partnership, limited liability partnership, limited liability company, joint venture, estate, trust, unincorporated association, any other legal entity, including any Governmental Authority and any fiduciary acting in such capacity on behalf of any of the foregoing.

**"Proceeding."** Any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitative or investigative, any appeal in such an action, suit, or proceeding and any inquiry or investigation that could lead to such an action, suit or proceeding.

**"Property."** That certain real property more particularly described in the Declaration.

**"Quorum."** Shall have the meaning assigned to such term in Article VI of this Certificate of Formation.

**"Rules and Regulations."** The rules and regulations of the Association, if any, initially adopted by the Board of Directors and as amended from time to time, as more fully described in the Declaration.

**"Texas Law."** The laws of the State of Texas, as amended from time to time.

### **ARTICLE III** **NONPROFIT CORPORATION**

The Association is a nonprofit corporation.

### **ARTICLE IV** **DURATION**

The duration of the Association shall be perpetual.

**ARTICLE V**  
**PURPOSES AND POWERS**

Section 5.1 **Organization**. The Association is organized to act as the association of Owners of the Property, in accordance with the Governing Documents and Texas Law.

Section 5.2 **Powers**. In furtherance of its purposes, the Association shall have the following powers which, unless indicated otherwise by this Certificate of Formation, the Declaration, the Bylaws or Texas Law, may be exercised by the Board of Directors:

- (a) all rights and powers conferred upon nonprofit corporations by Texas Law in effect from time to time; and
- (b) all rights and powers conferred upon property owner associations by Texas Law, including the Act, in effect from time to time; and
- (c) all powers necessary, appropriate, or advisable to perform any purpose or duty of the Association as set out in this Certificate of Formation, the Bylaws, the Declaration, Governing Documents or Texas Law.

**ARTICLE VI**  
**MEMBERSHIP**

Section 6.1 **Membership**. The Association shall be a non-stock membership corporation. The Declaration and the Bylaws shall determine the number and qualifications of Members of the Association, the voting rights and other privileges of membership and the obligations and liabilities of Members. Cumulative voting is not allowed.

Section 6.2 **Quorum**. Members holding at least 10% of the aggregate votes entitled to be cast by all Members represented at a meeting of the Members in person or by a legitimate proxy in a form approved by the Board of Directors shall constitute a quorum for voting on matters brought before the Members (a "**Quorum**"). Except as otherwise provided by Texas Law, the Declaration, this Certificate of Formation, the Bylaws or any other the Governing Document, the vote of Members holding, in the aggregate, a majority of the votes entitled to be cast by the Members present or voting by legitimate proxy at a called meeting at which a Quorum is present (the "**Majority Vote of the Members**") shall be the act of the Members. Notice requirements for all actions proposed to be taken by the Association which require an approval by a vote of the Members shall be given as set forth in the Bylaws, as such may be amended from time to time.

**ARTICLE VII**  
**LIABILITY; CONDUCT OF DIRECTORS AND OFFICERS**

No Member, Director, officer or representative of the Association shall be personally liable for debts or liabilities of the Association. A Director or officer is not liable to the Association, any Member or any other Person for an action taken or omission made or mistake in judgment by the Director or officer in the Person's capacity as a Director or officer, whether negligent or otherwise, unless the Director or officer's conduct was not exercised: (a) in good faith; (b) with ordinary care; and (c) in a manner that the Director or officer reasonably believed to be in the best interest of the Association. The liability of officers and Directors of the Association shall, to the fullest extent permitted by law, be limited by the Charitable Immunity and Liability Act of 1987, Chapter 84, Texas Civil Practice and Remedies Code, as amended.

## ARTICLE VIII

### **INDEMNIFICATION OF DIRECTORS, OFFICERS AND OTHER AUTHORIZED REPRESENTATIVES**

**Section 8.1 General Indemnification.** The Association shall indemnify an individual who was, is or is threatened to be made a named defendant or respondent in any Proceeding because the individual is or was a Director, against judgments, penalties (including excise and similar taxes), fines, settlements, and reasonable expenses (including court costs and attorneys' fees), actually incurred by the individual in connection with a Proceeding only if it is determined in accordance with Section 8.5 of this Certificate of Formation that the individual: (a) conducted himself or herself in good faith; (b) reasonably believed: (i) in the case of conduct in such individual's Official Capacity as a Director of the Association, that his or her conduct was in the Association's best interests; and (ii) in all other cases, that his or her conduct was at least not opposed to the Association's best interests; and (c) in the case of any criminal Proceeding, had no reasonable cause to believe that his or her conduct was unlawful.

**Section 8.2 Personal Interest or Liability.** A Director shall not be indemnified by the Association as provided in Section 8.1 of this Certificate of Formation for obligations resulting from a Proceeding: (a) in which the Director is found liable on the basis that personal benefit was improperly received by him or her, whether the benefit resulted from an action taken in the individual's official capacity as a Director of the Association; or (b) in which the individual is found liable to the Association, except to the extent permitted in Section 8.4 of this Certificate of Formation.

**Section 8.3 Final Judgment Required.** The termination of a Proceeding by judgment, order, settlement, or conviction or on a plea of *nolo contendere* or its equivalent is not of itself determinative that the individual did not meet the requirement set forth in Section 8.1 of this Certificate of Formation. An individual shall be deemed to have been found liable in respect of any claim, issue or matter only after the individual shall have been so adjudged by a court of competent jurisdiction after exhaustion of all appeals therefrom or after such judgment becomes final and non-appealable.

**Section 8.4 Limits on Indemnification.** If the individual is found liable to the Association or is found liable on the basis that personal benefit was improperly received by the individual, the indemnification described in Section 8.1 of this Certificate of Formation: (a) is limited to reasonable expenses actually incurred by the individual in connection with the Proceeding including court costs and attorneys' fees; and (b) shall not be made in respect of any Proceeding in which the person shall have been found liable for willful or intentional misconduct in the performance of his or her duty to the Association.

**Section 8.5 Determination of Indemnification.** A determination of indemnification under Section 8.1 of this Certificate of Formation must be made: (a) by a majority vote of a Quorum of Directors who at the time of the vote are not named defendants or respondents in the Proceeding; (b) if such a Quorum cannot be obtained, by a majority vote of a committee of the Board of Directors, designated to act in the matter by a majority vote of all Directors, consisting solely of two or more Directors who at the time of the vote are not named defendants or respondents in the Proceeding; or (c) by special legal counsel selected by the Board of Directors or a committee of the Board of Directors by vote as set forth in this Section 8.5(a) or (b) or, if such a Quorum cannot be obtained and such a committee cannot be established, by a majority vote of all Directors.

**Section 8.6 Authorization and Determination of Reasonableness of Expenses.** Authorization of indemnification and determination as to reasonableness of expenses (including court costs and attorneys' fees) must be made in the same manner as the determination that indemnification is permissible, except that if the determination that indemnification is permissible is made by special legal

counsel, authorization of indemnification, and determination as to reasonableness of expenses (including court costs and attorneys' fees) must be made in the manner specified by Section 8.5(c) of this Certificate of Formation for the selection of special legal counsel. A provision contained in the Certificate of Formation, the Bylaws, a resolution of the Board of Directors or an agreement that makes mandatory the indemnification described in Section 8.1 of this Certificate of Formation shall be deemed to constitute authorization of indemnification in the manner required herein, even though such provision may not have been adopted or authorized in the same manner as the determination that indemnification is permissible.

**Section 8.7 Success in a Proceeding.** The Association shall indemnify a Director against reasonable expenses (including court costs and attorneys' fees) incurred by him or her in connection with a Proceeding in which he or she is a named defendant or respondent because he or she is or was a Director if he or she has been wholly successful on the merits or otherwise, in the defense of the Proceeding.

**Section 8.8 Court Determination of Indemnification.** If, upon application of a Director, a court of competent jurisdiction determines, after giving any notice the court considers necessary, that the Director is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether he or she has met the requirements set forth in Section 8.1 of this Certificate of Formation or has been found liable in the circumstances described in Section 8.2 of this Certificate of Formation, the Association shall indemnify the Director to such further extent as the court shall determine; but if the individual is found liable to the Association or is found liable on the basis that personal benefit was improperly received by the individual, the indemnification shall be limited to reasonable expenses (including court costs and attorneys' fees) actually incurred by the individual in connection with the Proceeding.

**Section 8.9 Advancing Director Expenses.** Reasonable expenses (including court costs and attorneys' fees) incurred by a Director who was, is, or is threatened to be made a named defendant or respondent in a Proceeding may be paid or reimbursed by the Association in advance of the final disposition of the Proceeding and without the determination specified in Section 8.5 of this Certificate of Formation or the authorization or determination specified in Section 8.6 of this Certificate of Formation, after the Association receives a written affirmation by the Director of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification under this Article VIII and a written undertaking by or on behalf of the Director to repay the amount paid or reimbursed if it is ultimately determined that he or she has not met that standard or it is ultimately determined that indemnification of the Director against expenses (including court costs and attorneys' fees) incurred by him or her in connection with that Proceeding is prohibited by Section 8.4 of this Certificate of Formation. A provision contained in the Certificate of Formation, the Bylaws, a resolution of the Board of Directors, or an agreement that makes mandatory the payment or reimbursement permitted under this Section 8.9 shall be deemed to constitute authorization of that payment or reimbursement.

**Section 8.10 Repayment of Expenses by Director.** The written undertaking required by Section 8.9 of this Certificate of Formation must be an unlimited general obligation of the Director but need not be secured. It may be accepted without reference to financial ability to make repayment.

**Section 8.11 Witness Expenses.** Notwithstanding any other provision of this Article VIII, the Association may pay or reimburse expenses (including attorneys' fees) incurred by a Director in connection with his or her appearance as a witness or other participation in a Proceeding at a time when he or she is not a named defendant or respondent in the Proceeding.

**Section 8.12 Officer Indemnification.** An officer of the Association shall be indemnified by the Association as and to the same extent provided for a Director by Section 8.1, Section 8.6, Section 8.7



and Section 8.8 of this Certificate of Formation and is entitled to seek indemnification under those Sections to the same extent as a Director. The Association may indemnify and advance expenses (including court costs and attorneys' fees) to an officer, employee or agent of the Association to the same extent that it may indemnify and advance expenses (including court costs and attorneys' fees) to Directors under this article.

**Section 8.13 Indemnification of Others.** The Association may indemnify and advance expenses (including court costs and attorneys' fees) to individuals who are not or were not officers, employees, or agents of the Association but who are or were serving at the request of the Association as a director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic association, partnership, joint venture, sole proprietorship, trust or other enterprise to the same extent that it may indemnify and advance expenses (including court costs and attorneys' fees) to Directors under this Article VIII.

**Section 8.14 Advancing Expenses for Others.** The Association may indemnify and advance expenses (including court costs and attorneys' fees) to an officer, employee, agent, or individual identified in Section 8.13 of this Certificate of Formation and who is not a Director to such further extent, consistent with law, as may be provided by the Certificate of Formation, the Bylaws, general or specific action of the Board of Directors or contract or as permitted or required by common law.

**Section 8.15 Insurance Authorized.** The Association may purchase and maintain insurance or another arrangement on behalf of any individual who is or was a Director, officer, employee or agent of the Association or who is or was serving at the request of the Association as a director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic association, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise, against any liability asserted against him or her and incurred by him or her in such a capacity or arising out of his or her status as such a Person, whether or not the Association would have the power to indemnify him or her against that liability under this Article VIII. Without limiting the power of the Association to procure or maintain any kind of insurance or other arrangement, the Association may, for the benefit of individuals indemnified by the Association: (a) create a trust fund; (b) establish any form of self-insurance; (c) secure its indemnity obligations by grant of a security interest or other lien on the assets of the Association; or (d) establish a letter of credit, guaranty or surety agreement. The insurance or other arrangement may be procured, maintained or established within the Association or with any insurer or other individual deemed appropriate by the Board of Directors, regardless of whether all or part of the stock or other securities of the insurer or other Person are owned in whole or part by the Association. In the absence of fraud, the judgment of the Board of Directors as to the terms and conditions of the insurance or other arrangement and the identity of the insurer or other Person participating in an arrangement shall be conclusive, and the insurance or arrangement shall not be voidable and shall not subject the Directors approving the insurance or arrangement to liability, on any ground, regardless of whether Directors participating in the approval are beneficiaries of the insurance or arrangement. Notwithstanding the provisions of this Section 8.15 in the event of any conflict between the provisions of this Section 8.15 and the provisions of the Declaration, the provisions of the Declaration shall control.

## **ARTICLE IX** **MANAGEMENT OF THE ASSOCIATION**

The management and affairs of the Association shall be vested in the Board of Directors, except for those matters expressly reserved to others in the Declaration, Bylaws or other Governing Documents. The Bylaws shall determine the number and qualification of Directors; the term of office of Directors; the

methods of electing, removing, and replacing Directors; and the methods of holding a meeting of the Board of Directors and obtaining consents.

**ARTICLE X**  
**WINDING UP AND TERMINATION**

Winding up of the Association may be accomplished only by resolution adopted by the Board of Directors which is approved by the Members holding in the aggregate 67% of the votes eligible to be cast by the present or voting by legitimate proxy at a called meeting at which a Quorum is present. Upon a termination of the Association, all assets, both real and personal, of the Association shall be applied and distributed in accordance with the provisions of Section 22.304 of the TNCL, as may be amended.

**ARTICLE XI**  
**REGISTERED OFFICE AND AGENT**

The street address of the Association's initial registered office is 3000 Turtle Creek Blvd., Dallas, Texas 75219, and the name of its initial registered agent at such address is Stephen D. Parker.

**ARTICLE XII**  
**INITIAL DIRECTORS**

The number of Directors constituting the initial Board of Directors is three. Each Member has appointed one Director, and the names and addresses of the persons who are to serve as Directors are:

Andrew Pieper	Pecan Square Phase 1, LLC 3000 Turtle Creek Blvd. Dallas, Texas 75219
Angie Mastrocola	Pecan Square Phase 1, LLC 3000 Turtle Creek Blvd. Dallas, Texas 75219
Kim Comiskey	Pecan Square Phase 1, LLC 3000 Turtle Creek Blvd. Dallas, Texas 75219

**ARTICLE XIII**  
**ACTION WITHOUT MEETING OF DIRECTORS**

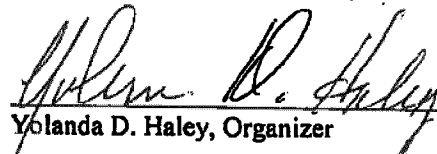
Except to the extent expressly provided otherwise in the Act, any action by the Board of Directors may be taken without a meeting if a written consent, stating the action to be taken, is signed by the number of Directors necessary to take that action at a meeting at which all of the Directors are present and voting. Such consent must state the date of each Director's signature and shall be kept with the association records as required by the Governing Documents. Prompt notice of the taking of an action by Directors without a meeting by less than unanimous written consent shall be given to each Director who did not consent in writing to the action.

**ARTICLE XIV**  
**ORGANIZER**

The name and address of the organizer is:

Yolanda D. Haley  
Pecan Square Phase 1, LLC  
3000 Turtle Creek Blvd.  
Dallas, Texas 75219

IN WITNESS WHEREOF, I have hereunto set my hand this the 11<sup>th</sup> day of April, 2019.

  
\_\_\_\_\_  
Yolanda D. Haley, Organizer