

# The State of Texas

Secretary of State

CERTIFICATE OF INCORPORATION

OF

CAPE CARANCAHUA WATER SUPPLY CORPORATION  
CHARTER NUMBER C1049C15

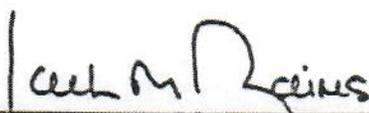
THE UNDERSIGNED, AS SECRETARY OF STATE OF THE STATE OF TEXAS, HEREBY CERTIFIES THAT ARTICLES OF INCORPORATION FOR THE ABOVE CORPORATION, DULY SIGNED AND VERIFIED HAVE BEEN RECEIVED IN THIS OFFICE AND ARE FOUND TO CONFORM TO LAW.

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

ISSUANCE OF THIS CERTIFICATE OF INCORPORATION DOES NOT AUTHORIZE THE USE OF A CORPORATE 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 DEC. 8, 1987



  
Secretary of State

ARTICLES OF INCORPORATION OF  
CAPE CARANCAHUA WATER SUPPLY CORPORATION

DEC 08 1987

Corporations Section

THE STATE OF TEXAS           §  
                                  §   KNOW ALL MEN BY THESE PRESENTS  
COUNTY OF JACKSON         §

WE, the undersigned natural persons of the age of eighteen (18) years or more, at least two of whom are citizens of the State of Texas, acting as incorporators of a corporation formed pursuant to Tex. Rev. Civ. Stat. Ann. art. 1434a (hereinafter "Non-Profit Water Supply Corporation Act"), do hereby adopt the following Articles of Incorporation for such corporation:

ARTICLE I

The name of the corporation is Cape Carancahua Water Supply Corporation.

ARTICLE II

The corporation is a non-profit corporation organized pursuant to the Non-Profit Water Supply Corporation Act and the Texas Non-Profit Corporation Act and is authorized to exercise all powers, privileges and rights incidental in carrying out the purposes for which the corporation is formed, except such as are inconsistent with the express provisions of the Non-Profit Corporation Act.

ARTICLE III

The period of the duration of the corporation is perpetual.

#### ARTICLE IV

The corporation is formed for the purpose of furnishing a water supply or sewer service, or both, to towns, cities, private corporations, individuals and military camps and bases and for the purpose of providing a flood control and drainage system for towns, cities, counties, other political subdivisions, private corporations, individuals and other persons pursuant to the authority contained within the provisions of the Non-Profit Water Supply Corporation Act.

Notwithstanding any of the above statements of purposes and powers, this Corporation shall not, except to an insubstantial degree, engage in any activities or exercise of power that are not in furtherance of the primary purpose of this Corporation.

This Corporation is organized pursuant to the Non-Profit Water Supply Corporation Act and Texas Non-Profit Corporation Act and does not contemplate pecuniary gain or profit to the members thereof and is organized for non-profit purposes. The Corporation shall conduct its business on a non-profit basis and no dividends shall ever be paid upon the membership of such corporation, and all profits arising from the operation of such business shall be annually paid out to the persons who have, during the past year, transacted business with such Corporation in direct proportion to the amount of business transacted, provided that no such dividends shall ever be paid while any indebtedness of the Corporation remains unpaid, and provided also that the directors of such

Corporation may allocate to a reserve fund such amounts of the annual income as they deem necessary for maintenance, upkeep, operation and replacement, emergency repairs and for deficiencies in income necessary to meet debt service costs.

#### ARTICLE V

The street address of the initial registered office of the Corporation is Star Route, Box 240, Palacios, Texas 77465 at Cape Carancahua and the name of the initial registered agent for the Corporation at such address is Adolph Gaertner.

#### ARTICLE VI

The number of directors constituting the initial Board of Directors of the Corporation is five, and the names and addresses of the persons who are to serve as the initial directors are as follows:

NAME	ADDRESS	CITY, STATE AND ZIP CODE
Adolph Gaertner	6302 Hickory Hollow	San Antonio, Texas 78239
Morris C. Law	Star Route, Box 240	Palacios, Texas 77465
Jean Siewert	Star Route, Box 252	Palacios, Texas 77465
Ramona Hughes	Star Route, Box 223	Palacios, Texas 77465
Raymond A. Kurner	Star Route, Box 249	Palacios, Texas 77465

#### ARTICLE VII

The name and address of each incorporator is as follows:

NAME	ADDRESS	CITY, STATE AND ZIP CODE
Adolph Gaertner	6302 Hickory Hollow	San Antonio, Texas 78239
Morris C. Law	Star Route, Box 240	Palacios, Texas 77465
Jean Siewert	Star Route, Box 252	Palacios, Texas 77465
Ramona Hughes	Star Route, Box 223	Palacios, Texas 77465
Raymond A. Kurner	Star Route, Box 249	Palacios, Texas 77465