



The State of Texas
Secretary of State

MAR. 31, 1998

BUTLER & HAILEY, P.C.
RECEIVED

APR - 7 1998

FILE _____ ROUTE _____

ROY D. HAILEY/BUTLER & HAILEY
5718 WESTHEIMER, STE 1600
HOUSTON TX 77057-5794

RE:
LAKEWOOD HILLS COMMUNITY IMPROVEMENT ASSOCIATION
CHARTER NUMBER 01484024-01

IT HAS BEEN OUR PLEASURE TO APPROVE AND PLACE ON RECORD THE ARTICLES OF INCORPORATION THAT CREATED YOUR CORPORATION. WE EXTEND OUR BEST WISHES FOR SUCCESS IN YOUR NEW VENTURE.

AS A CORPORATION, YOU ARE SUBJECT TO STATE TAX LAWS. SOME NON-PROFIT CORPORATIONS ARE EXEMPT FROM THE PAYMENT OF FRANCHISE TAXES AND MAY ALSO BE EXEMPT FROM THE PAYMENT OF SALES AND USE TAX ON THE PURCHASE OF TAXABLE ITEMS. IF YOU FEEL THAT UNDER THE LAW YOUR CORPORATION IS ENTITLED TO BE EXEMPT YOU MUST APPLY TO THE COMPTROLLER OF PUBLIC ACCOUNTS FOR THE EXEMPTION. THE SECRETARY OF STATE CANNOT MAKE SUCH DETERMINATION FOR YOUR CORPORATION.

IF WE CAN BE OF FURTHER SERVICE AT ANY TIME, PLEASE LET US KNOW.



VERY TRULY YOURS,

Alberto R. Gonzales, Secretary of State



The State of Texas
Secretary of State

CERTIFICATE OF INCORPORATION

OF

LAKWOOD HILLS COMMUNITY IMPROVEMENT ASSOCIATION
CHARTER NUMBER 01484024

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

ACCORDINGLY, THE UNDERSIGNED, AS SECRETARY OF STATE, AND BY VIRTUE
OF THE AUTHORITY VESTED IN THE SECRETARY BY LAW, HEREBY ISSUES THIS
CERTIFICATE 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 MAR. 30, 1998

EFFECTIVE MAR. 30, 1998



A handwritten signature in black ink, appearing to read "Alberto R. Gonzales".

Alberto R. Gonzales, Secretary of State

CONSENT TO USE SIMILAR CORPORATE NAME

THE STATE OF TEXAS
COUNTY OF HARRIS

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KNOW ALL PERSONS BY THESE PRESENTS THAT:

WHEREAS, "LAKEWOOD HILLS COMMUNITY IMPROVEMENT ASSOCIATION" wishes to incorporate in the State of Texas; and

WHEREAS, currently there exists a Texas limited partnership with a similar name of "LAKEWOOD HILLS DEVELOPMENT COMPANY, INC.", filed and approved by the Secretary of the State of Texas; and

WHEREAS, the Secretary of the State of Texas requires the consent of the existing Texas limited partnership "LAKEWOOD HILLS DEVELOPMENT COMPANY, INC." to use the name "LAKEWOOD HILLS COMMUNITY IMPROVEMENT ASSOCIATION", prior to using said corporate name; and

WHEREAS, "LAKEWOOD HILLS DEVELOPMENT COMPANY, INC." consents to the use of the name "LAKEWOOD HILLS COMMUNITY IMPROVEMENT ASSOCIATION".

NOW, THEREFORE, the General Partner of "LAKEWOOD HILLS DEVELOPMENT COMPANY, INC.", on its behalf, hereby consents to the use of the corporate name "LAKEWOOD HILLS COMMUNITY IMPROVEMENT ASSOCIATION".

EXECUTED on this 9th day of March, 1998.

LAKEWOOD HILLS
DEVELOPMENT COMPANY, INC.

By: James H. Ward
Print Name: James H. Ward
Title: Vice President

FILED
In the Office of the
Secretary of State of Texas
MAR 30 1998
Corporations Section

ARTICLES OF INCORPORATION
of
LAKEWOOD HILLS COMMUNITY IMPROVEMENT ASSOCIATION

I, the undersigned natural person of the age of eighteen (18) years or more, 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
NAME

The name of the corporation is LAKEWOOD HILLS COMMUNITY IMPROVEMENT ASSOCIATION.

ARTICLE TWO
NON-PROFIT CORPORATION

The corporation is a nonprofit corporation.

ARTICLE THREE
DURATION

The period of its duration is perpetual.

ARTICLE FOUR
PURPOSES

The purposes for which the corporation is organized are as follows:

- (1) The specific and primary purpose for which this corporation is organized is to provide for the management, acquisition, construction, maintenance, repair, replacement, administration and operation of that certain property known as Lakewood Hills, Section One, Harris County subdivision according to the map or plat thereof recorded in the Map Records of Harris County, Texas and any other subdivisions in Harris County, Texas brought within the jurisdiction of the corporation (the "Property"). IT SHALL NOT BE ONE OF THE PURPOSES OF THE CORPORATION TO PROVIDE SECURITY TO

THE OWNERS OF THE PROPERTY OR THEIR GUESTS AND INVITEES. NEITHER LAKEWOOD HILLS DEVELOPMENT COMPANY, INC., ITS SUCCESSORS, ASSIGNS, BENEFICIARIES OR PARTNERS (THE "DECLARANT"), THE CORPORATION, ITS DIRECTORS, OFFICERS OR MANAGING AGENT SHALL EVER IN ANY WAY, BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY WITHIN THE PROPERTY NOR SHALL THEY BE LIABLE FOR ANY LOSS OR DAMAGE BY REASON OR ALLEGED FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN, IF ANY.

(2) The general powers of the corporation are:

(a) exercise all of the powers and privileges and to perform all of the duties and obligations of the corporation as set forth in that certain instrument entitled "Declaration of Covenants, Conditions, Restrictions and Easements Lakewood Hills, Section One A Subdivision in Harris County, Texas" (the "Declaration") applicable to Lakewood Hills, Section One and as the same may be amended from time to time as therein provided, as well as the restrictive covenants of any other subdivisions brought within the jurisdiction of the corporation;

(b) fix, levy, collect, and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the corporation, including all licenses, taxes or governmental charges levied or imposed against the property of the corporation;

(c) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the corporation;

(d) borrow money, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional property; and

(f) have and to exercise any and all powers, rights and privileges which a corporation organized under the Texas Non-Profit Corporation Act by

law may now or hereafter have or exercise.

(3) Notwithstanding any of the foregoing statements of purposes and powers, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the primary purpose of this corporation as set forth in Paragraph (1) of this Article Four, nothing contained in the foregoing statement of purposes shall be construed to authorize this corporation to carry on any activity for the profit of its members, or to distribute any gains, profits, or dividends to its members as such, except on dissolution and winding up.

This corporation is organized pursuant to the Texas Non-Profit Corporation Act and does not contemplate pecuniary gain or profit to the members thereof and is organized for non-profit purposes.

ARTICLE FIVE **MEMBERSHIP**

Each Owner, whether one Person or more of a Lot shall, upon and by virtue of becoming such Owner, automatically become and shall remain a member of the corporation until ownership of the Lot ceases for any reason, at which time the membership in the corporation shall also automatically cease. Membership in the corporation shall be appurtenant to and shall automatically follow the ownership of each Lot and may not be separated from such ownership. Provided however, prior to changing the name of the Owner of any Lot on the membership rolls of the corporation, the corporation or its managing agent (if authorized by the Board of Directors) may charge a transfer fee or processing fee when ownership to any Lot changes or the Mortgage on the Lot is refinanced.

ARTICLE SIX **VOTING RIGHTS**

The Corporation shall have two classes of membership:

Class A. Class A Members shall be all those owners of real property in the Property, with the exception of the Declarant. Class A Members shall be entitled to one vote for each Lot in which they hold the interest required for membership. When more than one person holds interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B Member shall be Declarant, its successors and

assigns. The Class B Member shall be entitled to five (5) votes for each Lot in which it holds the interest required for membership by Section 3.3 of the Declaration; provided, however, that the Class B membership shall cease and be converted to Class A membership on the happening of either of the following event, whichever occurs earlier.

- (a) When the total votes outstanding in the Class A membership equals the total cumulative votes outstanding in the Class B membership; or
- (b) January 1, 2005.

ARTICLE SEVEN
INITIAL REGISTERED OFFICE AND AGENT

The street address of the initial registered office of the corporation is 3303 F.M. 1960 West, Suite 290, Houston, Texas 77068, and the name of its initial registered agent at such address is CMC Chaparral Management Company, Inc.

ARTICLE EIGHT
BOARD OF DIRECTORS

The affairs of the corporation shall be managed by a Board of three (3) Directors, who need not be members of the corporation. The number of directors may be changed by amendment of the By-Laws of the corporation. The names and addresses of the persons who are to act in the capacity of directors until the selection of their successors are:

<u>NAME</u>	<u>ADDRESS</u>
James H. Ward	5555 Fellowship Lane Spring, Texas 77379
Robert A. Hudson	5555 Fellowship Lane Spring, Texas 77379
Barbara Petty	5555 Fellowship Lane Spring, Texas 77379

ARTICLE NINE
INCORPORATOR

The name and street address of the incorporator is:

<u>NAME</u>	<u>ADDRESS</u>
Roy D. Hailey	5718 Westheimer, Suite 1600 Houston, Texas 77057

ARTICLE TEN
DISSOLUTION

The corporation may be dissolved with the assent given in writing and signed by members holding not less than two-thirds (2/3rds) of the total votes in both the Class A and Class B membership. Upon dissolution of the corporation, other than incident to a merger or consolidation, the assets of the corporation shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this corporation was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE ELEVEN
DURATION

The corporation shall exist perpetually.

ARTICLE TWELVE
AMENDMENTS

Amendment of these Articles shall require the assent of two-thirds (2/3rds) of both classes of members present in person or by proxy at a meeting of the membership of the corporation, which members must be in good standing and entitled to vote at a meeting of the members of the corporation.

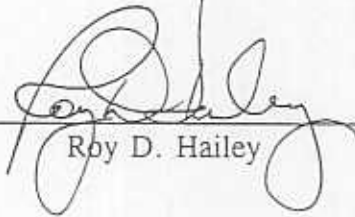
ARTICLE THIRTEEN
INDEMNIFICATION

The corporation shall indemnify any director or former director, officer or former officer of the Association to the fullest extent allowed by the Texas Non-Profit Corporation Act.

ARTICLE FOURTEEN
WRITTEN CONSENT

Provided the provisions of Article 1396-9.10C of the Texas Non-Profit Corporation Act are fully complied with, any action required by the Texas Non-Profit Corporation Act to be taken at a meeting of members, directors, or any committee of the corporation or any action that may be taken without a meeting if a consent in writing setting forth the action to be taken is signed by a sufficient number of members, directors, or committee members as would be necessary to take that action at a meeting at which all of the members, directors, or members of the committee were present and voted.

IN WITNESS WHEREOF, we have hereunto set our hand, this 24th day of March, 1998.



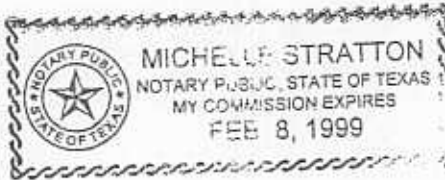
Roy D. Hailey

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was executed before me on this 24th day of March, 1998, by Roy D. Hailey for the purposes and consideration expressed therein.



NOTARY PUBLIC - STATE OF TEXAS



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