

FILED
In the Office of the
Secretary of State of Texas
OCT 02 1997
Corporations Section

**ARTICLES OF INCORPORATION
OF
LAKE FOREST OF KELLIWOOD HOMEOWNERS ASSOCIATION, INC.**

The undersigned natural person of the age of eighteen (18) years or more, and a citizen of the State of Texas, acting as incorporator of a corporation under the Texas Non-Profit Corporation Act, does hereby adopt the following Articles of Incorporation for such corporation (hereinafter called the "Association"):

ARTICLE I

Corporate Name

The Association shall be known as Lake Forest of Kelliwood Homeowners Association, Inc. and by and under such name it shall conduct and transact all of its business.

ARTICLE II

Corporate Address and Agent

The street address of the Association's initial registered office is 1306 South Fry Boulevard, Katy, Harris County, Texas 77450, and the name of its initial registered agent at such address is Thomas H. McQuilling.

ARTICLE III

Corporate Status

The Association is a non-profit corporation.

ARTICLE IV

Purpose and Powers of the Association

The Association is formed for the purposes of providing for the maintenance and preservation of properties within Lake Forest of Kelliwood and Kelliwood Lakes, Section Two (2), residential subdivisions located in Harris County, Texas, and promoting the health and welfare of the lot owners within such subdivisions and for these purposes:

- (a) enter into contracts for the purpose of providing services for the benefit, use, or enjoyment to Lot Owners in general, including but not by way of limitation, security, and landscaping improvements and maintenance;
- (b) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in any contract;
- (c) fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to any restrictive covenants set forth in any deed to any Lot, and/or any recorded declaration of covenants, conditions and restrictions affecting or enforceable against the Property, or any portion thereof;
- (d) pay all office and other expenses incident to the conduct of the business of the Association, including management fees, if any, and all taxes or governmental charges levied against or imposed upon the property of the Association;
- (e) 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 Association;
- (f) borrow money and mortgage, pledge, deed in trust or hypothecate any or all of the Association's real or personal property as security for money borrowed or debts incurred;
- (g) dedicate, sell or transfer all or any part of the parks, common areas and facilities owned by the Association, if any, to any public agency, authority, utility, person or entity, for such purposes and subject to such conditions as may be agreed to by the Board of Directors, provided that no conveyance of any parks, common areas or facilities other than the granting of utility easement shall be permitted except to a public entity established for similar purposes as the Association or which shall be dedicated to the preservation of community purposes and interest and which is capable of maintaining and agreeing to maintain the same;

- (h) delete from its jurisdiction and the scope of its services any portion of the Properties;
- (i) participate in mergers and consolidations with other non-profit corporations organized for the same purposes;
- (j) establish and enforce rules and regulations governing the use, operation, maintenance, control, and disposition of property to which the Association holds title or to which control is vested in the Association, if any; and
- (k) exercise any and all powers, rights and privileges which a corporation organized under the Texas Non-Profit Corporation Act or any other laws of the State of Texas may now or hereafter have or exercise.

ARTICLE V

Membership

The members of the Association shall be the record owner, whether one or more persons or entities, of a fee simple title to any lot located in Lake Forest of Kelliwood and Kelliwood Lakes, Section Two (2), residential subdivisions in Harris County, Texas (as well as the record owner of a fee simple title to any lot in any other Harris County, Texas subdivision, brought within the jurisdiction of the Association), including a contract seller, but excluding those having such interest merely as security for the performance of an obligation. The rights of members are subject to (a) the payment of any assessments as set forth in the Declarations of Covenants, Conditions and Restrictions for such subdivisions, (hereinafter sometimes collectively referred to as the "Declaration"), and (b) compliance with the provisions of the Declaration. The voting and other membership rights of any member may be suspended by action of the Board of Directors during any period when such member shall have failed to pay any assessment then due and payable; but, upon payment of such assessment, his rights and privileges shall be automatically restored. In addition, the voting or other membership rights of any member may be suspended by action of the Board of Directors for a period not to exceed sixty (60) days, if any Member, any member of his family, his tenants, or the guests of any thereof shall violate the provisions of the Declaration.

Unless otherwise provided in the Declaration, the Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Declarant and each shall be entitled to one (1) vote for each lot owned in the subdivisions. When more than one person holds an interest in any lot, all such persons shall be members. The vote of such lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any one (1) lot.

Class B. Class B members shall be the Declarant, as such term is defined in the Declaration, who shall be entitled to five (5) voters for each lot owned in the subdivisions. Class B membership shall cease and be converted to Class A membership on the happening of either of the following two (2) events, whichever occurs earlier:

(A) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or

(B) The tenth anniversary date of the Declaration.

ARTICLE VI
Board of Directors

The affairs of the Association shall be managed by a Board of Directors composed of such number of persons and for such terms as may be fixed by the Bylaws of the Association. The Directors shall continue to serve until their successors are selected and qualified in the manner provided in the Bylaws of the Association. The names and addresses of the persons who are to serve as the initial Directors and constitute the initial Board of Directors of the Association until such time as their successors have been qualified to serve are:

<u>NAME</u>	<u>ADDRESS</u>
Mr. Vincent D. Kickerillo	1306 South Fry Boulevard Katy, Texas 77450
Mr. Jim A. Miller	1306 South Fry Boulevard Katy, Texas 77450
Mr. Thomas H. McQuilling	1306 South Fry Boulevard Katy, Texas 77450

ARTICLE VII

Amendments

Amendment of these Articles shall require the affirmative vote of not less than two-thirds (2/3) of the members entitled to vote who are present in person or by proxy at a meeting at which a quorum is present.

ARTICLE VIII

Duration

The Association shall exist perpetually.

ARTICLE IX

Dissolution

The Association may be dissolved upon the affirmative vote of not less than seventy-five percent (75%) of the members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association, if any, shall be granted, conveyed and assigned to any non-profit corporations, associations or other organizations deemed by the Board of Directors of the Association to be appropriate, to be devoted to similar purposes.

ARTICLE X

The Association may enter into contracts or transact business with one or more of its Directors or officers, or with any firm of which one or more of its Directors or officers are members or employees, or in which they are otherwise interested, or with any corporation or association on which any of its directors or officers are stockholders, Directors, officers, members, employees or otherwise interested; and no contract or other transaction between the Association and any firm of which one or more of its Directors, officers, or employees are otherwise interested, shall be void or voidable or otherwise affected by reason of such Directorship or office of the Association or such interest in such other firm, corporation or association, notwithstanding that such other Director or Directors, having such interest are present and counted in determining the existence of a quorum at the meeting of the Board of Directors of the corporation which acts upon or in reference to such contract or transaction, and notwithstanding that the vote of such Director or Directors having such interest shall have been necessary to authorize, approve, ratify, or otherwise obligate the Association upon such contract

or transaction, provided, that the fact of such interest shall be disclosed or known to the Board of Directors and the Board of Directs shall authorize, approve or ratify such contract or transaction by vote of a majority of the Directors present, such interested Director or Directors to be counted in determining whether a quorum is present, but not to be counted in calculating the majority necessary to carry such vote. Nor shall any Director or officer be liable to account to this Association for any profits realized by or from or through any such transaction or contract of the Association for any profits realized by or from or through any such transaction or contract of the Association by reason of such Directorship, office or interest. Nothing herein contained shall create liability in the events described or present the authorization, approval or ratification of such contracts or transactions in any other manner permitted by law. This Article shall not be construed to invalidate any contract or other transaction which would otherwise be valid under the common and statutory law applicable thereto.

ARTICLE XI

The Association shall indemnify any and all persons who may serve or who have served at any time as Directors or officers against any and all expenses, including amounts paid upon judgments, counsel fees, and amounts paid in settlement (before or after suit is commenced), actually and necessarily incurred by such persons in connection with the defense or settlement of any claim, action, suit, or proceeding in which they, or any of them, are made parties or a party, or which may be asserted against them or any of them, by reason of being or having been Directors or officers or a Director or officer of the Association.

Such indemnification shall be in addition to any other rights to which those indemnified may be entitled under any law, bylaws, agreement, or otherwise.

The Association may purchase and maintain insurance on behalf of any person who holds or who has held any position of office or Director as specified above, against any liability incurred by him in any such position, or arising out of his status as such.

ARTICLE XII

Incorporator

The name and street address of the incorporator is:

Name

Address

Rick S. Butler

5718 Westheimer, Suite 1600
Houston, Texas 77057

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Texas, I, the undersigned, constituting the incorporator of this corporation, have executed these Articles of Incorporation on this the 30th day of September, 1997.

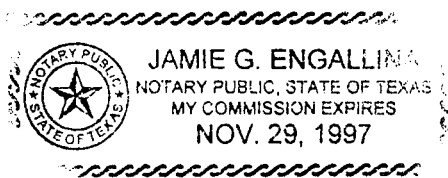
Rick S. Butler

Rick S. Butler

THE STATE OF TEXAS §
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COUNTY OF HARRIS §

I, the undersigned authority, a Notary Public in and for the State of Texas, do hereby certify that on the 30th day of September, 1997, personally appeared RICK S. BUTLER, who being by me first duly sworn, declared that he is the person who signed the foregoing Articles of Incorporation as incorporator and that the statements set forth in the Articles of Incorporation are true and correct.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year when written.



Jamie G. Engallina

Notary Public in and for the
State of Texas