

The State of Texas
Secretary of State

NOV. 3, 1997

ROBERT T. ALEXANDER-HOOVER, BAX
5847 SAN FELIPE STE. 2200
HOUSTON, TX 77057

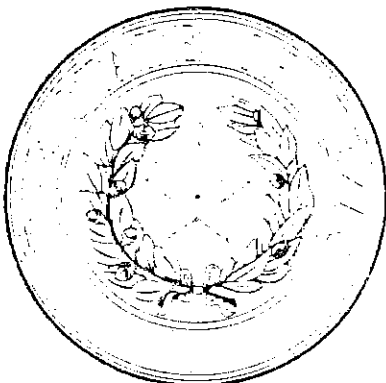
RE:
GRAND OAKS HOMEOWNERS ASSOCIATION, INC.

CHAPTER NUMBER 01465796-01

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,

Antonio O. Garza, Jr., Secretary of State



The State of Texas
Secretary of State

CERTIFICATE OF INCORPORATION
OF

GRAND OAKS HOMEOWNERS ASSOCIATION, INC.
CHARTER NUMBER 01465796

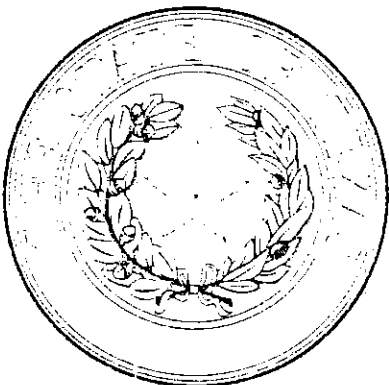
THE UNDERSIGNED, AS SECRETARY OF STATE OF THE STATE OF TEXAS, HEREBY CERTIFIES THAT THE ATTACHED ARTICLES OF INCORPORATION FOR THE ABOVE NAMED CORPORATION HAVE BEEN RECEIVED IN THIS OFFICE AND ARE FOUND TO CONFORM TO LAW.

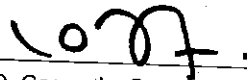
ACCORDINGLY, THE UNDERSIGNED, AS SECRETARY OF STATE, AND BY VIRTUE OF THE AUTHORITY VESTED IN THE SECRETARY BY LAW, HEREBY ISSUES THIS CERTIFICATE OF INCORPORATION.

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 OCT. 31, 1997

EFFECTIVE OCT. 31, 1997




Antonio O. Garza, Jr., Secretary of State

FILED
In the Office of the
Secretary of State of Texas

OCT 31 1997

Corporations Section

ARTICLES OF INCORPORATION
OF
GRAND OAKS HOMEOWNERS ASSOCIATION, INC.

I, the undersigned, being a natural person of the age of twenty-one (21) or more, a citizen of the State of Texas, 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 I.
NAME OF CORPORATION

The name of the corporation is Grand Oaks Homeowners Association, Inc., hereinafter called the "Association".

ARTICLE II.
REGISTERED OFFICE

The initial registered office of the Association is 6001 Gulfton, Suite 200, Houston, Texas 77081.

ARTICLE III.

Rick Sabella is hereby appointed the initial registered agent of the Association, whose address is the same as that of the initial registered office.

ARTICLE IV.
DURATION

The period of duration of the Association is perpetual.

ARTICLE V.
PURPOSES AND POWERS OF THE ASSOCIATION

The Association is organized to be operated for the sole purpose of carrying on as a "homeowners association", as that term is defined by Section 528(c) of the Internal Revenue Code of 1986. Specifically, the Association is formed to provide for the administration, maintenance and preservation of the "Properties", including the "Lots" and "Area of Common Responsibility" (as such terms are defined in that certain Amended and Restated Declaration of Covenants, Conditions and Restrictions for Rolling Creek, Section One (1) (commonly known as Grand Oaks Subdivision) dated effective October 20, 1997, filed for record in the office of the County Clerk of Harris County, Texas [the "Declaration"]) in accordance with the Declaration; to exercise the duties and prerogatives of the Association set forth in the Declaration; to exercise all of the powers and duties set forth in the Bylaws of the Association and the Declaration; to have and to exercise

any and all powers, rights, and privileges which a corporation organized under the Non-Profit Corporation Act of the State of Texas may now or hereafter have or exercise; and, to the extent permitted by law, to do any and all other things necessary to implement or accomplish the purposes set forth in the Bylaws of the Association and the Declaration.

ARTICLE VI. MEMBERSHIP

Each owner of a lot encumbered by the Declaration shall upon and by virtue of becoming such owner, automatically become and shall remain a member of the Association until ownership of the lot ceases for any reason, at which time the membership in the Association shall also automatically cease. Membership in the Association shall be appurtenant to and shall automatically follow the ownership of such Lot and may not be separated from such ownership.

The Association shall have two (2) classes of Members:

A. Class "A". Class "A" Members shall be all Owners (as such term is defined in the Declaration), with the exception of Declarant (as such term is defined in the Declaration). Each Class "A" Member shall be entitled to one (1) vote for each Lot owned by such Member in the Properties; provided, however, when more than one person holds an interest in any Lot, all such persons shall be Members, and the single vote for such Lot shall be exercised by them as they among themselves determine but in no event shall more than one (1) vote be cast with regard to any Lot owned by a Class "A" Member. The votes of the Class "A" Members are referred to herein as the "Class 'A' votes".

B. Class "B". The Class "B" Member shall be Declarant. The Class "B" Member shall be allowed three (3) votes for each Lot in the Properties owned by Declarant. All Class "B" votes shall cease to exist and automatically be converted to Class "A" votes on the happening of any of the following events, whichever occurs earlier:

1. When the total number of Class "A" votes entitled to be cast with respect to the Properties equals the total number of Class "B" votes entitled to be cast with respect to the Properties;

2. Fifteen (15) years from the date the Declaration is filed in the Office of the County Clerk of Harris County, Texas; or

3. At such earlier time as the holder of the Class "B" votes may, in its sole discretion, elect.

C. Reinstatement of Class "B" Votes. Notwithstanding the prior provisions of subsection B above, if additional land is made subject to the jurisdiction of the Association pursuant to a Supplemental Declaration such that Declarant owns more than twenty-five percent

(25%) of the total of all Lots, then the provisions in said paragraph B of Article VI shall be automatically reinstated *ipso facto*.

ARTICLE VII
BOARD OF DIRECTORS

The number of Directors constituting the initial Board of Directors of the Association is five (5) and the names and addresses of the persons who are to serve as the initial Directors are:

| <u>Name</u> | <u>Address</u> |
|-------------------|---|
| Ricardo Sabella | 6001 Gulfton, Suite 200 Houston, Texas 77081 |
| Lisa Nickel | 6001 Gulfton, Suite 200 Houston, Texas 77081 |
| Mike Mauer | 7324 Southwest Freeway, Suite 975 Houston, Texas 77074 |
| Dominic Leung | 6001 Gulfton, Suite 200 Houston, Texas 77081 |
| Katherine Richter | 6001 Gulfton, Suite 200 Houston, Texas 77081 |

ARTICLE VIII
INCORPORATOR

The name and street address of the incorporator is:

| <u>Name</u> | <u>Address</u> |
|---------------------|---|
| Robert T. Alexander | 5847 San Felipe, Suite 2200 Houston, Texas 77057 |

ARTICLE IX
NON-PROFIT CORPORATION

The Association is a non-profit corporation, without capital stock organized solely for the purposes specified in Article V, and no part of its property, whether income or principal, shall ever inure to the benefit of any director, officer, Member or employee of the Association, nor shall any such director, officer, Member, employee, or individual receive or be lawfully entitled

similar to those for which the Association was created or shall be granted, conveyed, and assigned to any non-profit corporation, association, trust, or other organization devoted to such similar purposes.

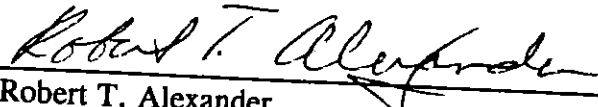
**ARTICLE XV
HUD OR VA APPROVAL**

Annexation of additional property, mergers and consolidations, mortgaging of Common Area, dissolution, and amendment of these Articles require the prior approval of the United States Department of Housing and Urban Development ("HUD") or the Veterans Administration ("VA") for so long as there is a Class "B" membership. However, in the event mortgages or deeds of trust recorded against Lots within the properties are not insured by HUD or the VA, then all of the prior approval requirements shall be null and void and no such prior approval shall be required.

**ARTICLE XVI
AMENDMENTS**

Amendments of these Articles of Incorporation shall require the consent of two-thirds (2/3) of the entire membership of the Association. So long as there is a Class B membership, an amendment of these Articles of Incorporation shall require prior approval of HUD or VA.

IN WITNESS WHEREOF for the purpose of forming this Association under the laws of the State of Texas, I, the undersigned incorporator of this Association, have executed these Articles of Incorporation this 31st day of OCTOBER, 1997.


Robert T. Alexander
Address: 5847 San Felipe, Suite 2200
Houston, Texas 77057

Corporations Section
P.O. Box 13697
Austin, Texas 78711-3697



Elton Bomer
Secretary of State

Office of the Secretary of State

March 15, 1999

**GRAND OAKS HOMEOWNERS ASSOCIATION
16360 PARK 10 PLACE DR., STE. 310
HOUSTON, TX 77084**

RE: GRAND OAKS HOMEOWNERS ASSOCIATION

The following corrections are necessary for approval and filing of the documents submitted on behalf of the above named corporation/limited partnership/limited liability company. Checks tendered in payment of filing fees are returned when the accompanying documents cannot be filed. Enclosed are the documents and check(s) which you recently submitted. If you should have any further questions, please do not hesitate to call the document processing section at (512) 463-5582 for further assistance.

The attached documents are being returned since they do not contain any apparent changes to the registered office address or registered agent according to our records.

Lisa Sasin
Document Examiner

RECEIVED

MAR 19 1999