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J.V. Falgout 4-27 93
W.B. Lewis 4-22

Filed in the Office of the
Secretary of State of Texas
This: 30th Aug 1975
Deputy Secretary of State

ARTICLES OF INCORPORATION
OF
SHADY HILL VILLA ASSOCIATION, INC.

In compliance with the requirements of the State of Texas, the undersigned, all of whom are citizens of the State of Texas, and all of whom are over the age of twenty-one years, have this day voluntarily associated themselves together for the purpose of forming a corporation not for profit and do hereby certify:

ARTICLE I

The name of the corporation is SHADY HILL VILLA ASSOCIATION, INC., hereinafter called the "Association".

ARTICLE II

The corporation is a non-profit corporation.

ARTICLE III

The period of its duration is perpetual.

ARTICLE IV

The initial registered office of the Association is located at 8103 Grow Street #3, Houston, Texas, and the initial registered agent at such address is JACK EDWARDS.

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ARTICLE V

PURPOSES AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the residential Lots and Common Area within that certain tract of property described as:

All of SHADY HILL VILLA, PHASE ONE, a subdivision consisting of all of Tract "A" of Block Seven (7) of ROLLINGBROOK, SECTION TWO (2), and all of Tract "C" of Block Four (4) of the PARTIAL REPLAT OF ROLLINGBROOK, SECTION ONE (1), both additions in Harris County, Texas, according to the map or plat of said Shady Hill Villa, Phase One, recorded in Volume 221, Page 141 of the Map Records of Harris County, Texas; and

All of SHADY HILL VILLA, PHASE TWO, a subdivision in Harris County, Texas, according to the map or plat thereof recorded

in Volume 222, Page 127 of the Map Records of Harris County,
Texas.

and to promote the health, safety and welfare of the residents
within the above described property, and for this purpose, to:

(a) exercise all of the powers and privileges and to
perform all of the duties and obligations of the Association as set
forth in those certain instruments filed for record under Harris
County Clerk's File Nos. E321258, E364401 and E364401, hereinafter
called the "Declaration", applicable to the above property, and as
the same may be amended from time to time as therein provided, said
Declaration being incorporated herein as if set forth at length;

(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 Association, including all licenses, taxes or governmental
charges levied or imposed against the property of the Association;

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

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

(e) have and to exercise any and all powers, rights and
privileges which a corporation organized under the Non-Profit
Corporation Law of the State of Texas by law may now or hereafter
have or exercise.

ARTICLE VI

MEMBERSHIP

Every person or entity who is a record owner of a fee or
undivided fee interest in any Lot which is subject by covenants of

record to assessment by the Association, including contract Sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. Ownership of such lot shall be the sole qualification for membership.

ARTICLE VII

VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A: Class A members shall be all those Owners as defined in Article VI with the exception of Shady Hill Villa, Ltd. Class A members shall be entitled to one vote for each Lot in which they hold the interest required for membership by Article VI. When more than one person holds such 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 Shady Hill Villa, Ltd., and any successor to Shady Hill ^{Villa} Ltd's rights. The Class B member shall be entitled to three votes for each Lot in which it holds the interest required for membership by Article VI, provided that the Class B membership shall cease and be converted to Class A membership on the happening of either of the following 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) On December 31, 1977.

ARTICLE VIII

BOARD OF DIRECTORS

The affairs of this Association shall be managed by a board of

ree (3) Directors, who need not be members of the Association. The number of directors may be changed by amendment of the By-Laws of the Association. 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> |
|-------------------------|---|
| JACK EDWARDS | 8103 Grow Street #3 Houston, Texas 77040 |
| CAREY C. JOHNSON | 4500 Montrose Houston, Texas 77006 |
| RICHARD B. MERRILL, JR. | 4500 Montrose Houston, Texas 77006 |

ARTICLE IX

LIABILITIES

The highest amount of indebtedness or liability, direct or contingent, to which this Association may be subject at any one time shall not exceed \$50,000.00 while there is a Class B membership, and thereafter shall not exceed one hundred fifty per cent (150%) of its income for the previous fiscal year, provided that additional amounts may be authorized by the assent of two-thirds (2/3) of the membership.

ARTICLE X

AUTHORITY TO MORTGAGE

Any mortgage by the Association of the Common Area defined in the recorded plat or Declaration shall have the assent of two-thirds (2/3) of the membership.

ARTICLE XI

AUTHORITY TO DEDICATE

The Association shall have power to dedicate, sell or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless approved by members entitled to cast two-thirds (2/3) of the votes of the entire membership, agreeing to such dedication, sale or transfer.

ARTICLE XII

DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of the entire membership. Upon dissolution of the Association, the assets, both real and personal of the Association, shall be dedicated to an appropriate public agency to be devoted to purposes as nearly as practicable the same as those to which they are required to be devoted by the Association. 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 purposes and uses that would most nearly reflect the purposes and uses to which they would be required to be devoted by the Association.

ARTICLE XIII

MEETINGS FOR ACTIONS GOVERNED BY ARTICLES IX THROUGH XII

In order to take action under Articles IX through XII, there must be a duly held meeting. Written notice setting forth purposes of the meeting shall be given to all members not less than fifteen days nor more than thirty days in advance of the meeting. The presence of members or of proxies entitled to cast sixty per cent (60%) of the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth above, and the required quorum at such subsequent meeting shall be one-half of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting. In the event that two-thirds (2/3) of the membership are not present in person or by proxy, members not present may give their written assent to the action taken thereat.

ARTICLE XIV

Amendments of these Articles shall require the assent of

seventy-five (75%) per cent of the entire membership.

ARTICLE XV

The names and addresses of each of the incorporators are:

| <u>NAME</u> | <u>ADDRESS</u> |
|-------------------------|---|
| JACK EDWARDS | 8103 Grow Street #3 Houston, Texas 77040 |
| CAREY C. JOHNSON | 4500 Montrose Houston, Texas 77006 |
| RICHARD B. MERRILL, JR. | 4500 Montrose Houston, Texas 77006 |

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Texas, we, the undersigned, constituting the incorporators of this Association, have executed these Articles of Incorporation this 29 day of July, 1975.

Jack Edwards

 JACK EDWARDS

Carey C. Johnson

 CAREY C. JOHNSON

Richard B. Merrill, Jr.

 RICHARD B. MERRILL, JR.

THE STATE OF TEXAS) COUNTY OF HARRIS)

BEFORE ME, *Carmen A. Morales* a Notary Public, do hereby certify that on this 29 day of July, 1975, personally appeared before me, JACK EDWARDS, CAREY C. JOHNSON and RICHARD B. MERRILL, JR., each being by me first duly sworn, severally declared that they are the persons who signed the foregoing document as incorporators, and that the statements therein contained are true.

Carmen A. Morales

 NOTARY PUBLIC IN AND FOR HARRIS
 COUNTY, TEXAS