ARTICLES OF INCORPORATION
OF MILLS CREEK VILLAGE COMMUNITY ASSOCIATION, INC.

FILED
In the Office of the
Secretary of State of Texas

MAY 10 1994

Corporations Section

STATE OF TEXAS §
§ KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF HARRIS §

We, the undersigned natural persons of the age of eighteen years or more, all of whom are citizens of the State of Texas, acting as incorporators of a corporation under the Texas Non-Profit Corporation Act, adopt the following Articles of Incorporation for Mills Creek Community Association, Inc. (the "Association").

ARTICLE I
CORPORATE NAME

This corporation shall be known as MILLS CREEK VILLAGE COMMUNITY ASSOCIATION, INC. and by and under such name it shall conduct and transact all its business.

ARTICLE II
CORPORATE ADDRESS AND AGENT

The street address of the Association's initial registered office is 17001 Northchase, Suite 420, Houston, Texas 77060-2139, and the name of the initial registered agent at such address is Mr. J. P. Webb.

ARTICLE III
CORPORATE STATUS

The Association is a non-profit corporation. The Association is not formed for pecuniary profit. No part of the income or assets of the Association is distributable to or for the benefit of its members, directors, or officers, except to the extent permissible under law.

ARTICLE IV
PURPOSE AND POWERS OF THE ASSOCIATION

The Association is formed for the purposes of providing for maintenance, preservation and architectural control of the property subject to the Declaration of Covenants, Conditions and Restrictions applicable to certain land located in Mills Creek Village, Section One and Mills Creek Village, Section One Replat (hereinafter called the "Declaration") subdivisions in Harris County, Texas, described in their plats (hereinafter

referred to as the "plats") recorded under Film Code Nos. 355012 and 359024, respectively, of the Official Public Records of Harris County, Texas, and any additional property that may hereafter be made subject to the Declaration; and to promote the civic and social welfare of the residents within the above-described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association and for this purpose to:

a) provide and maintain, to the extent determined appropriate by the Association, the common area, facilities, and services of overall benefit to Mills Creek Village Owners, residents, and occupants in general, including, but not by way of limitation, lighting and cleaning of the streets adjacent to and within the land subject to the jurisdiction of the Association; maintenance of the common area, including, but not limited to, buildings, other facilities, greenbelts, wetlands and landscape easements conveyed to the Association; maintenance of the rights-of-way of the streets that are within or adjacent to the boundaries of the Property; police and security service; fire protection; mosquito control; garbage and refuse collection; recreational programs and facilities; and other services, facilities, and activities as may be in the community's interest;

b) contract for provision of similar services to or for the benefit of land not subject to the jurisdiction of the Association, but only at a price that is not less than the cost to the Association;

c) exercise all the powers and privileges and perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions, hereinafter called the "Declaration," applicable to the Property and recorded or to be recorded in the Official Public Records of Harris County, Texas, and as the same may be amended from time to time as provided in the Declaration, said Declaration being incorporated herein as if set forth at length;

d) fix, levy, collect, and enforce payment by any lawful means of all assessments, fees, fines and charges pursuant to the terms of the Declaration;

e) pay all office and other expenses incident to the conduct to the business of the Association, including all licenses, taxes, and governmental charges levied or imposed against the property of the Association;

f) 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 interests in and to real or personal property in connection with the affairs of the Association;

g) borrow money and, with the approval of a 2/3 majority of the votes in the Association, 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;

h) dedicate, sell, or transfer all or any part of the parks, common area, and facilities owned by the Association to any public agency, authority, or utility 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 area, or facilities other than the granting of utility

easements shall be permitted except to a public entity established for purposes similar to the Association or which shall be dedicated to the preservation of community purposes and interests and which is capable of maintaining and agreeing to maintain the same; and further provided that any dedication, sale, or transfer other than for utility easements shall be approved by a 2/3 majority of the votes in the Association;

i) participate in mergers and consolidations with the non-profit corporations organized for the same purposes, by annexation or otherwise, provided that any merger, consolidation, or annexation shall be approved by a 2/3 majority of the votes in the Association.

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; and

k) exercise any and all powers, rights, and privileges which a corporation organized under the Non-Profit Corporation Act of the State of Texas by law now or hereafter may have or exercise; provided that none of the objects or purposes set out in these Articles shall be construed to authorize the Association to do any act in violation of the Texas Non-Profit Corporation Act, and all such objects or purposes are subject to the Act.

ARTICLE V
MEMBERSHIP

Each person or entity who is a record owner of a fee or undivided fee interest in any property subject by the Declaration to assessment by the Association, including contract sellers, shall be a member of the Association. Persons or entities who hold an interest in the property merely as security for the performance of an obligation shall not, however, be members. Membership shall be appurtenant to and may not be separated from ownership of the property which is subject to assessment by the Association. Ownership of such property shall be the sole qualification for membership.

ARTICLE VI
VOTING RIGHTS

The Association shall initially have two classes of voting membership;

Class A. Class A members shall be all Owners and shall be entitled to one vote for each Lot or Commercial Unit owned, as defined in the Declaration. Friendswood Development Company, the Declarant as defined in the Declaration, shall not be a Class A member as long as it is a Class B member. When more than one person holds an interest in any Lot or Commercial Unit, all such persons shall be members. The vote for such Lot or Commercial Unit shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot or Commercial Unit. Owners shall have the right to assign their voting rights hereunder to renters or other persons as they may designate by use of a fully executed proxy.

Class B. The Class B member shall be Friendswood Development Company, the Declarant as defined in the Declaration, and shall be entitled to vote for each Lot or Commercial Unit owned. Declarant will be allotted three (3) votes for each Lot or Commercial Unit. Class B membership shall cease and be converted to Class A membership on the earlier of the following dates:

(a) the date on which the total votes outstanding in the Class A membership equal or exceed the total votes outstanding in Class B membership; or

(b) January 1, 2005.

ARTICLE VII
BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of five (5) 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:

Liz B. Dantone	17001 Northchase, Suite 420 Houston, Texas 77060-2139
Nanette R. Peavey	17001 Northchase, Suite 420 Houston, Texas 77060-2139
Keith E. Schoonover	17001 Northchase, Suite 420 Houston, Texas 77060-2139
Warren D. Marquard	17001 Northchase, Suite 420 Houston, Texas 77060-2139
Elizabeth A. Schwantz	17001 Northchase, Suite 420 Houston, Texas 77060-2139

At the first annual meeting the members shall elect three (3) directors for a term of one year, and two (2) directors for a term of two years; and at annual meetings thereafter the members shall elect directors for two-year terms as needed to restore Board membership to five (5) directors.

ARTICLE VIII
INCORPORATORS

The name and street address of each incorporator is:

Liz B. Dantone	17001 Northchase, Suite 420 Houston, Texas 77060-2139

Nanette R. Peavey	17001 Northchase, Suite 420 Houston, Texas 77060-2139
Keith E. Schoonover	17001 Northchase, Suite 420 Houston, Texas 77060-2139

ARTICLE IX
AMENDMENT

Amendment of these Articles shall require approval by a two-thirds (2/3) majority of the votes in the Association.

ARTICLE X
DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each class of members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which the Association was created. If dedication is refused acceptance, the assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or organization to be devoted to such similar purposes.

ARTICLE XI
DURATION

The Association shall exist perpetually.

ARTICLE XII
INDEMNIFICATION AND LIMITATION IN LIABILITY

The Association shall indemnify its directors, officers, employees, and agents to the full extent permitted by the laws of the State of Texas.

Also, the Association shall limit the liability of its directors to the Association to the full extent permitted by the laws of the State of Texas.

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 6th day of May, 1994.

Liz B. Dantone

Liz B. Dantone

Nanette R. Peavey

Nanette R. Peavey

Keith E. Schoonover

Keith E. Schoonover

OK FORMS
OK TRANS.
OK CNTRC.

STATE OF TEXAS §
§
COUNTY OF HARRIS §

I the undersigned authority, a Notary Public in and for the State of Texas, do hereby certify that on the 6th day of May, 1994, personally appeared Liz B. Dantone, Nanette R. Peavey, and Keith E. Schoonover, who being by me each first duly sworn, each declared that he/she is one of the persons who signed the foregoing instrument as an incorporator and that the statements therein are true.

Kathy L Berry

Notary Public in and for the State of Texas

KATHY L. BERRY NOTARY PUBLIC STATE OF TEXAS 12-14-96

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