

ARTICLES OF INCORPORATION OF
WALDEN'S TOWN HOUSE ASSOCIATION

FILED
In the Office of the
Secretary of State of Texas

OCT 09 1973

WE, the undersigned and natural persons of the age of twenty-one (21) years *J. D. W. Heil*
or more, all of whom are citizens of the State of Texas, acting as incorporators of
Director, Corporation Division
a corporation under the Texas Non-Profit Corporation Act, do hereby adopt the following
Articles of Incorporation for such corporation:

ARTICLE I

CORPORATION NAME

The name of the corporation is WALDEN'S TOWN HOUSE ASSOCIATION.

ARTICLE II

CORPORATE STATUS

The corporation is a non-profit corporation.

ARTICLE III

DURATION

The period of its duration is perpetual.

ARTICLE IV

PURPOSES

The corporation is formed for the following purposes:

1. To provide for maintenance and preservation of the properties subject to the Covenants, Conditions and Restrictions applicable to WALDEN ON LAKE CONROE, SECTION SEVEN, a subdivision in Montgomery County, Texas, to promote the health, safety, welfare, civic pride and aesthetic values of the residents within the above-described property.
2. To exercise all of the powers and privileges and to perform all of the duties and obligations of the WALDEN'S TOWN HOUSE ASSOCIATION as set forth in those certain Declaration of Restrictions for Walden on Lake Conroe, Section Seven, hereinafter called the "Declaration of Restrictions" applicable to the property and recorded or to be recorded in the Deed Records of Montgomery County, Texas, and as the same may be amended from time to time as therein provided, said Declarations of Restrictions being incorporated herein as if set forth at length.

3. To fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declarations of Restriction; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the said Association.

4. To have and exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Act of the State of Texas may by law now or hereafter have or exercise; provided that none of the objects or purposes herein set out shall be construed to authorize the corporation to do any act in violation of said Non-Profit Corporation Act or Part Four of the Texas Miscellaneous Corporation Laws Act, and all such objects or purposes are subject to said Acts.

5. The corporation is prohibited from engaging in any activity which would constitute a regular business of a kind ordinarily carried on for profit.

6. No part of the net earnings of the corporation shall inure to the benefit of any private shareholder or individual.

ARTICLE V

REGISTERED AGENT

The street address of the initial registered office of the corporation is 4600 Post Oak Place Drive, Suite 150, Houston, Texas 77027, and the name of its initial registered agent at such address is Jerry H. Deutser.

ARTICLE VI

TRUSTEES

The affairs of the corporation shall be managed by a Board of five (5) Trustees, who need not be members (as such term is hereinafter defined) of the corporation. The number of Trustees may be changed by amendment of the Bylaws of the corporation. The names and addresses of the persons who are to act in the capacity of initial Trustees until January 31, 1974, or until the selection of their successors are:

Jerry H. Deutser

4600 Post Oak Place Drive
Suite 150
Houston, Texas 77027

William Schmuck

1600 First City East Building
1111 Fannin Street
Houston, Texas 77002

S. Conrad Weil, Jr.

4600 Post Oak Place Drive
Suite 150
Houston, Texas 77002

Glenn Loggins

1600 First City East Building
1111 Fannin Street
Houston, Texas 77002

Richard Therrien

1600 First City East Building
1111 Fannin Street
Houston, Texas 77002

At the first annual meeting beginning in 1974, the members shall elect one Trustee for a term of one year, two Trustees for a term of two years, and two Trustees for a term of three years; and at each annual meeting thereafter the members shall elect that number of Trustees equal to the number of Trustees whose terms expire at such time.

ARTICLE VII

INCORPORATORS

The name and street address of each incorporator is:

Jerry H. Deutser

4600 Post Oak Place Drive
Suite 150
Houston, Texas 77027

William Schmuck

1600 First City East Building
1111 Fannin Street
Houston, Texas 77002

S. Conrad Weil, Jr.

Suite 150
4600 Post Oak Place Drive
Houston, Texas 77027

ARTICLE VIII

MEMBERSHIP

Every person or entity who is an owner of a fee, undivided fee interest or a purchaser thereof under a contract of sale of any property which is subject to a maintenance charge assessment by the corporation acting for the WALDEN'S TOWN HOUSE ASSOCIATION, such persons or entities being hereinafter referred to as "Owner," shall be a member of the corporation. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation

or hold only a mineral interest in the lots. No Owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of the property which is subject to assessment by the said Association. Ownership of such property shall be the sole qualification for membership.

ARTICLE IX

VOTING RIGHTS

The corporation shall have two classes of membership:

Class A. Class A members shall be all those Owners as defined in Article VII hereinabove with the exception of those owners designated below as Class B members. Class A members shall be entitled to one vote for each lot in which they hold the interest required for membership by Article VIII. 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 members shall be Jerry H. Deutser, Trustee; S. Conrad Weil, Jr., Trustee; any corporation owned or controlled by either Jerry H. Deutser or S. Conrad Weil, Jr., which at the time of platting thereof is the record owner of the fee title to an entire section of Walden on Lake Conroe; any individual who at the time of platting thereof is the record owner of the fee title to all of Walden on Lake Conroe, Section Seven. The Class B members shall be entitled to three (3) votes for each lot in which they hold the interest required for membership by Article VIII; provided, however, 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 January 1, 1987.

The Class A and Class B members shall have no rights as such to vote as a class, except as required by the Texas Non-Profit Corporation Act, and both classes shall vote together upon all matters as one group.

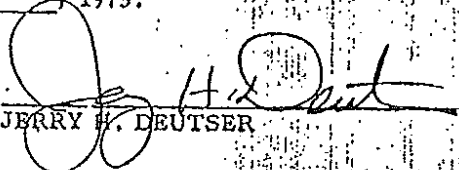
ARTICLE X
DISSOLUTION

Upon dissolution of the corporation, other than incident to a merger or consolidation, the assets of the corporation shall be dedicated and transferred to an appropriate public agency to be used for purposes similar to those for which this corporation was created or shall be conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

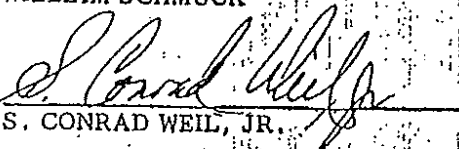
In the event of liquidation or dissolution of the corporation, whether voluntary or involuntary, no member thereof shall be entitled to any distribution of its remainder property or its proceeds and the balance of all money and other property received by the corporation from any source, after the payment of all debts and obligations of the corporation, shall be used or distributed subject to the order of the Supreme Court of the State of Texas as provided by law, exclusively for purposes within those set forth in Article I and within the intentment of Section 501(c) of the Internal Revenue Code of 1954 and its regulations as the same now exists or as they may be hereafter amended.

IN WITNESS WHEREOF, we the undersigned, have hereunto set our hands this

5th day of October, 1973.


JERRY H. DEUTSER


WILLIAM SCHMUCK


S. CONRAD WEIL, JR.

THE STATE OF TEXAS X

COUNTY OF HARRIS X

I, Nancy K. Drake, a Notary Public, do hereby certify that on this the 5th day of October, 1973, personally appeared before me, JERRY H. DEUTSER, WILLIAM SCHMUCK and S. CONRAD WEIL, JR., who 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.

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

(SEAL)

Dancy L. Asadi
Notary Public, Harris County, Texas

My Commission Expires:

June 15, 1975