



The State of Texas
Secretary of State

CERTIFICATE OF INCORPORATION
OF

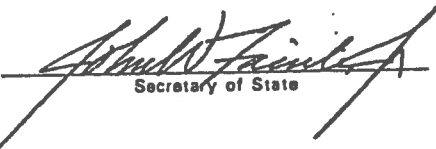
THE GROVE HOMEOWNERS ASSOCIATION, INC.
CHARTER NUMBER 678976

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

ACCORDINGLY THE UNDERSIGNED, AS SUCH SECRETARY OF STATE, AND BY
VIRTUE OF THE AUTHORITY VESTED IN HIM BY LAW, HEREBY ISSUES THIS
CERTIFICATE OF INCORPORATION AND ATTACHES HERETO A COPY OF THE
ARTICLES OF INCORPORATION.

DATED NOV. 10, 1983




Secretary of State

ARTICLES OF INCORPORATION OF
THE GROVE HOMEOWNERS ASSOCIATION, INC.

FILED
In the Office of the
Secretary of State of Texas

NOV 10 1983

Clerk D
Registrations Section

We, the undersigned natural persons of the age of twenty-one (21) or more, at least two of whom are citizens of the State of Texas, acting as incorporators of a corporation under the Texas Non-Profit Corporation Act, do hereby adopt the following Articles of Incorporation for such corporation:

ARTICLE I

The name of the corporation is The Grove Homeowners Association, Inc., hereinafter called the "Association" or "corporation".

ARTICLE II

The initial registered office of the Association is located at Arena Tower Two, 7324 Southwest Freeway, Suite 600, Houston, Texas 77074.

ARTICLE III

J. B. Belin, Jr., whose address is Arena Tower Two, 7324 Southwest Freeway, Suite 600, Houston, Texas 77074 is hereby appointed the initial registered agent of this Association, whose address is the same as that of the initial registered office.

ARTICLE IV

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 residence Lots and Common Area within those certain tracts of land (herein sometimes collectively referred to as the "Subdivision") described as:

The Grove, Section 6, a subdivision in Fort Bend County, Texas, according to the map or plat thereof recorded in Slides 631 A and 631 B, Plat Records of Fort Bend County, Texas, and The Grove, Section 7, a subdivision in Fort Bend County, Texas, according to the map or plat thereof recorded in Slides 632 A and 632 B, Plat Records of Fort Bend County, Texas, and such other tracts or parcels of land in said county as may, by recorded restrictions thereon, be made subject to the provisions hereof;

and to promote the health, safety and welfare of the residents within the above-described property and any additions thereto as

may hereafter be brought within the jurisdiction of this Association (it being recognized that additional properties may be annexed to the area subject to the "Declaration" [as hereinafter defined]), and, for these purposes, the Association shall have the power 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 that certain (i) Declaration of Reservations, Restrictions and Covenants of The Grove, Section 6, and (ii) Declaration of Reservations, Restrictions and Covenants of The Grove, Section 7 (hereinafter collectively referred to as the "Declaration"), applicable to the property described therein and recorded or to be recorded in the Office of the County Clerk of Fort Bend County, Texas, as the Declaration 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, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association.

(d) Borrow money, and, with the consent (either by written instrument or by voting at a meeting duly called for such purpose) of the members entitled to cast not less than two-thirds (2/3rds) of the aggregate of the votes of both classes of membership [for so long as there is a Class B membership; otherwise, by not less than two-thirds (2/3rds) of the Class A members],

mortgage, pledge, deed in trust or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred.

(e) Dedicate, sell or transfer all or any part of the Common Area within the Association, if any, to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members with the consent (either by written instrument or by voting at a meeting duly called for such purpose) of those members entitled to cast not less than two-thirds (2/3rds) of the aggregate of the votes of both classes of membership [for so long as there is a Class B membership; otherwise, by not less than two-thirds (2/3rds) of the Class A members].

(f) Participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional residential property and Common Area, provided that any such merger, consolidation or annexation shall have the consent (either by written instrument or by voting at a meeting duly called for such purpose) of the members entitled to cast not less than two-thirds (2/3rds) of the aggregate of the votes of both classes of membership [for so long as there is a Class B membership; otherwise, by not less than two-thirds (2/3rds) of the Class A members].

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

(h) Do any and all other things necessary to implement or accomplish the purposes set forth above to the extent permitted by law.

ARTICLE V

MEMBERSHIP

Every person or entity who is a record owner of any of the land which is subject or which will be subject upon the completion of improvements thereon, to the Annual Assessments and

Special Assessments levied 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 or those having only an interest in the mineral estate. Membership shall be appurtenant to and may not be separated from ownership of the land which is subject to assessment by the Association. Ownership of such land shall be the sole qualification for membership.

ARTICLE VI

VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the developer, Pecan Grove Associates, a Texas joint venture composed of Atlas Realty Company, J. B. Land Co., Inc. and Belcross, Inc., and shall be entitled to one vote for each Lot owned. When more than one person holds an 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(s) shall be Pecan Grove Associates, the "Developer", as defined in the Declaration (and the Developer's successors and assigns), and shall be entitled to three (3) votes for each Lot owned. 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 November 1, 1993.

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

ARTICLE VII

BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of three (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>
J. B. Belin, Jr.	Arena Tower Two 7324 Southwest Freeway Suite 600 Houston, Texas 77074
Risher Randall	2777 Allen Parkway 5th Floor, Riviana Bldg. Houston, Texas 77019
Cullum Heard	Arena Tower Two 7324 Southwest Freeway Suite 600 Houston, Texas 77074

At the first annual meeting the members shall elect one director for a term of one year, one director for a term of two years, and one director for a term of three years, and at each annual meeting thereafter, the members shall elect one director for a term of three years.

ARTICLE VIII

DISSOLUTION

The Association may be dissolved with the consent (either by written instrument or by voting at a meeting duly called for such purpose) of those members entitled to cast not less than two-thirds (2/3rd) of the aggregate of the votes of both classes of membership [for so long as there is a Class B membership; otherwise, by not less than two-thirds (2/3rds) of the Class A 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 this Association was created. In the event that such dedication is not accepted, such assets

shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE IX

DURATION

The period of duration of the corporation is perpetual.

ARTICLE X

AMENDMENTS

Amendment of these Articles shall require the consent (either by written instrument or by voting at a meeting duly called for such purpose) of those members entitled to cast not less than seventy-five (75%) percent of the aggregate of the votes of both classes of membership [for so long as there is a Class B membership; otherwise, by not less than three-fourths (3/4ths) of the Class A members].

ARTICLE XI

The names and street addresses of each incorporator is:

<u>Name</u>	<u>Address</u>
J.B. Belin, Jr.	Arena Tower Two 7324 Southwest Freeway Suite 600 Houston, Texas 77074
K. Gregory Erwin	Nine Greenway Plaza Suite 2300 Houston, Texas 77046
Bruce W. Merwin	Nine Greenway Plaza Suite 2300 Houston, Texas 77046

ARTICLE XII

FHA/VA APPROVAL

As long as there is a Class B membership, provided further that the Federal Housing Administration ("FHA") or the Veterans Administration ("VA") is insuring or guaranteeing loans or has agreed to insure or guarantee loans on any portion of the Subdivision, the following actions will require the prior approval of the FHA or the VA: (a) dedication of any common area; (b) sales or transfers of additional property easements, rights-of-way or

licenses by Developer in the Common Area, if any, other than as provided herein; (c) granting of a mortgage covering any portion of the Common Area, if any; (d) amendment or alteration of the Declaration; (e) annexation of additional properties into the Subdivision; and (f) any merger or consolidation of the Association with any other entity.

ARTICLE XIII

Notwithstanding anything contained herein to the contrary:

(1) The corporation shall distribute its income for each taxable year at such time in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent Federal tax laws.

(2) The corporation shall not engage in any act of self dealing as defined in Section 4941(d) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent Federal tax laws.

(3) The corporation shall not retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent Federal tax laws.

(4) The corporation shall not make any investments in such manner as to subject it to tax under Section 4944 of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent Federal tax laws.

(5) The corporation shall not make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent Federal tax laws.

ARTICLE XIV

The corporation is a non-profit corporation, without capital stock organized solely for the purposes specified in Article IV, and no part of its property, whether income or principal, shall ever inure to the benefit of any Director, Officer or employee of

the corporation, or of any individual having a personal or private interest in the activities of the corporation, nor shall any such Directors, Officers, employees or individuals receive or be lawfully entitled to receive any profit from the operations of the corporation except a reasonable allowance for salaries or other compensation for personal services actually rendered in carrying out one or more of its stated purposes. The corporation shall not engage in, and none of its funds or property shall be devoted to, carrying on propaganda or otherwise attempting to influence legislation.

ARTICLE XV

Anything to the contrary herein notwithstanding, the corporation shall not:

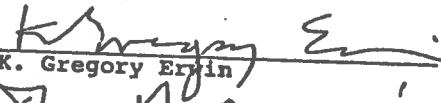
- (1) Lend any part of its assets to;
- (2) Pay any compensation (other than that as set forth in Article XIV) to;
- (3) Make any part of its services available on a preferential basis to;
- (4) Make any purchase of any securities or any other property for more than adequate consideration in money or money's worth from;
- (5) Sell any securities or other property for less than adequate consideration in money or money's worth to; or
- (6) Engage in any other transaction which results in a diversion of any part of its assets to:

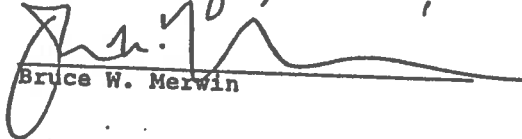
any person or other entity which has made a contribution to the corporation; or a member of the family of an individual who has made a contribution to the corporation; or a corporation controlled by any person or other entity which has made a contribution to the corporation through the ownership, directly or indirectly, of fifty (50%) percent or more of the total combined voting power of all classes of stock entitled to vote or fifty (50%) percent or more of the total value of shares of all classes of stock of the corporation nor shall the Directors engage, participate or intervene in any other activity or transaction which would cause the corporation to lose its status as an exempt organization under the provisions of the Internal Revenue Code of

1954 or corresponding provisions hereinafter in effect; and the use, directly or indirectly, of any part of the corporation's assets in any such activity or transaction is hereby expressly prohibited.

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 9th day of November, 1983.


J.B. Belin, Jr.


K. Gregory Erwin


Bruce W. Merwin

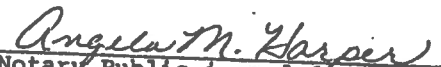
STATE OF TEXAS §
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COUNTY OF HARRIS §

Before me, the undersigned notary public, do hereby certify that on this 9th day of November, 1983, personally appeared J.B. Belin, Jr., K. Gregory Erwin and Bruce W. Merwin, who being by me first duly sworn, declared to me that they are the persons who signed the foregoing document as incorporators and that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 9th day of November, 1983.



ANGELA M. HARPER
NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS
MY COMMISSION EXPIRES JULY 14, 1986


Notary Public in and for
The State of Texas

BM049A