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Secretary of State of Texas
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Corporations Section

ARTICLES OF INCORPORATION
OF
CARMEL 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 CARMEL HOMEOWNERS ASSOCIATION, INC., hereinafter called the "Association."

ARTICLE II.

REGISTERED OFFICE AND AGENT

The registered office of the Association is 8584 Katy Freeway, Suite 200, Houston, Texas 77024, and the name of the registered agent at that address is Greg McKenzie.

ARTICLE III.

DURATION

The period of duration of the Association is perpetual.

ARTICLE IV.

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 purposes for which the Association is formed are to provide for the management, maintenance and care of the Carmel Subdivision, as described in the Declaration of Covenants, Conditions and Restrictions for Carmel filed for record under Clerk's File No. 0752776, in the office of the County Clerk of Harris County, Texas (the "Declaration") in accordance with the terms and conditions of 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 V.

MEMBERSHIP

Every person or entity who is a record owner of a fee or individual fee interest in any lot described in the Declaration, 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. Membership shall be appurtenant to and may not be separated from ownership of any lot described in the Declaration.

The Association shall have one class of voting membership. The members shall be all owners of lots within the real property described in the Declaration (the "Property"), and they 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 of 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. Notwithstanding the foregoing, however, Kimball Hill Homes Texas, Inc., the Grantor (herein so called) under the Declaration shall have the right to enforce and administer the Declaration and to exercise any and all rights and duties granted to or permitted to be exercised by the Association or the Architectural Control Committee (as defined in the Declaration) at all times that the Grantor owns one or more lots within the Property, as provided in the Declaration.

ARTICLE VI.

BOARD OF DIRECTORS

The number of Directors constituting the initial Board of Directors of the Association is three (3), and the names and addresses of the persons who are to serve as the initial Directors are:

<u>Name</u>	<u>Address</u>
Greg McKenzie	8584 Katy Freeway, Suite 200 Houston, Texas 77024
Lance Wright	8584 Katy Freeway, Suite 200 Houston, Texas 77024
Kirk Breitenwischer	8584 Katy Freeway, Suite 200 Houston, Texas 77024

ARTICLE VII.

INCORPORATOR

The name and street address of the incorporator is:

<u>Name</u>	<u>Address</u>
Greg McKenzie	8584 Katy Freeway, Suite 200 Houston, Texas 77024

ARTICLE VIII.

NON-PROFIT CORPORATION

The Association is a non-profit corporation without capital stock, organized solely for the purposes specified in these articles, and no part of its property, whether income or principal, shall ever inure to the benefit of any director, officer, or employee of the Association, or of any individual having a personal or private interest in the activities of the Association, nor shall any such director, officer, employee, or individual receive or be lawfully entitled to receive any profit from the operations of the Association except reasonable compensation for personal services actually rendered in carrying out one or more of its stated purposes, but only to the extent permitted by the Bylaws and the Declaration.

ARTICLE IX.

PROHIBITED ACTS

The Association shall not pay dividends or other corporate income to its members, directors, or officers or otherwise accrue distributable profits or permit the realization of private gain. This prohibition shall not apply to acquiring, constructing, or providing management, maintenance, and care of Association property, or the rebate of excess membership dues, fees, or assessments to the members of the Association. The Association shall have no power to take any action prohibited by the Texas Non-Profit Corporation Act.

ARTICLE X.

INDEMNIFICATION

The Association may indemnify a person who was, is, or is threatened to be named as a defendant or respondent in litigation or other proceedings because the person is or was a director,

officer or other person related to the Association, as provided by the Bylaws of the Association. The terms and conditions of such indemnification shall be set forth in the Bylaws.

ARTICLE XI.

ACTIONS WITHOUT MEETINGS

Any action required by the Texas Non-Profit Corporation Act to be taken at a meeting of the members or directors of the Association or any action that may be taken at a meeting of the members or directors may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by a sufficient number of members, directors, or committee members as would be necessary to take that action at a meeting at which all of the members or directors were present and voted.

ARTICLE XII.

DISSOLUTION

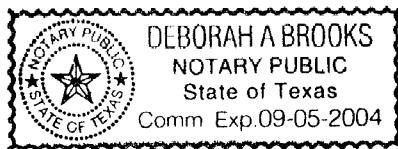
Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which the Association was created or shall be granted, conveyed, and assigned to any non-profit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

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 20th day of OCTOBER, 2000.

Greg McKenzie
Greg McKenzie, Incorporator

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

Before me, the undersigned authority, on this the 20th day of OCTOBER, 2000, personally appeared Greg McKenzie, Incorporator for Carmel Homeowners Association, Inc., known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, as the act and deed of such corporation, and in the capacity therein stated.



Deborah A. Brooks
NOTARY PUBLIC, STATE OF TEXAS