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636-00-1823

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The State of Texas
Secretary of State

CERTIFICATE OF INCORPORATION
OF

HIGHLAND COMPOSITE PROPERTY OWNERS ASSOCIATION, INC.
CHARTER NUMBER 01007341

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 THE SECRETARY BY LAW, HEREBY ISSUES
THIS CERTIFICATE OF INCORPORATION AND ATTACHES HERETO A COPY OF THE
ARTICLES OF INCORPORATION.

DATED AUG. 18, 1986



A handwritten signature in cursive script, appearing to read "W. Daniel".

Secretary of State

636-00-1824

FILED
In the Office of the
Secretary of State of Texas

AUG 18 1986

ARTICLES OF INCORPORATION
OF
HIGHLAND COMPOSITE PROPERTY OWNERS ASSOCIATION, INC.

Clerk I-D
Corporations Section

We, the undersigned natural persons, at least two of whom are citizens of the State of Texas, and who are over the age of eighteen (18) years or more, 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 ONE

The name of the is HIGHLAND COMPOSITE PROPERTY OWNERS ASSOCIATION, INC.

ARTICLE TWO

The corporation is a non-profit corporation.

ARTICLE THREE

The period of its duration is perpetual.

ARTICLE FOUR

The following are the purposes for which this Corporation has been formed: To maintain beauty and harmony in Highlands Estate, Wildwood Acres, Greentree and Oakhurst Estates Subdivisions by providing amenities for the subdivision and requiring conformity with restrictive covenants as set forth in the Deed Records of Montgomery County, Texas, and to take such action as deemed beneficial for the general health and welfare of the subdivision; And to exercise, promote and protect the privileges and interest of the residents of Highlands Estate, Wildwood Acres, Greentree, and Oakhurst Estates Subdivisions; And to foster a healthy interest in the civic affairs of the Community and to develop good citizenship and to inquire into civic abuse and to seek reformation thereof.

ARTICLE FIVE

The street address of the initial registered office of the corporation is: 29718 Tanglewood, Magnolia, Texas 77355; And the name of its initial registered agent at such address is: DAVID TRAVIS.

ARTICLE SIX

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

David Travis
29718 Tanglewood
Magnolia, Texas 77355

Jerry Jones
29711 Tanglewood
Magnolia, Texas 77355

Susan Blasingim
11922 Paramount Lane
Houston, Texas 77067

ARTICLE SEVEN

The name and street address of each incorporator is:

David Travis
29718 Tanglewood
Magnolia, Texas 77355

Jerry Jones
29711 Tanglewood
Magnolia, Texas 77355

Susan Blasingim
11922 Paramount Lane
Houston, Texas 77067

ARTICLE EIGHT

Membership in this Corporation shall be open to all home owners in: Wildwood Acres, Highlands Estate, Greentree and Oakhurst Estates Subdivisions.

ARTICLE NINE

At all meetings, except for the election of the officers and directors where proxies may be utilized, all votes shall be via voice, except that for election of officers ballots shall be provided and there shall not appear any place on such ballot any mark or marking that might tend to indicate the person who cast such ballot.

At any regular or special meeting if a majority so requires any question may be voted upon in the manner and style provided for election of officers and directors.

At all votes by ballot, the Chairman of such meeting shall immediately prior to the commencement of balloting appoint a committee of three who shall act as "Inspectors of Election: and who shall at the conclusion of such balloting certify in writing to the Chairman the results and the certified copy shall be physically affixed in the minute book to the minutes of that meeting.

No "Inspector of Election," shall be a candidate for office or

shall be personally interested in the question voted upon.

Each home owner in the subdivision is entitled to cast one vote.

IN WITNESS WHEREOF, we have hereunto set our hands, this 28 day of July, 1986.

David Travis
DAVID TRAVIS

Jerry Jones
JERRY JONES

Susan Blasingim
SUSAN BLASINGIM

THE STATE OF TEXAS
COUNTY OF

I, the undersigned Notary Public, do hereby certify that on this 28 day of July, 1986, personally appeared DAVID TRAVIS, who, after being by me first duly sworn, declared that he is the person who signed the foregoing document as an incorporator, and that the statements therein contained are true and correct.

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

R.B. Chandler
NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS



MY COMMISSION EXPIRES: 06-03-90


THE STATE OF TEXAS
COUNTY OF

I, the undersigned Notary Public, do hereby certify that on this 28 day of July, 1986, personally appeared JERRY JONES, who, after being by me first duly sworn, declared that he is the person who

636-00-1827

signed the foregoing document as an incorporator, and that the statements therein contained are true and correct.

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


NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS




MY COMMISSION EXPIRES: 06-03-90

THE STATE OF TEXAS

COUNTY OF

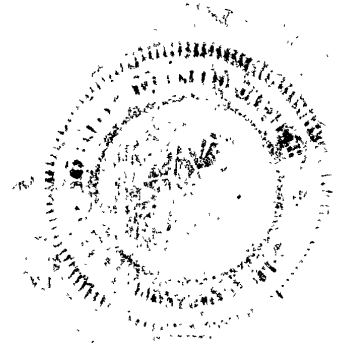
I, the undersigned Notary Public, do hereby certify that on this 28 day of July, 1986, personally appeared SUSAN BLASINGIM, who, after being by me first duly sworn, declared that she is the person who signed the foregoing document as an incorporator, and that the statements therein contained are true and correct.

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


NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS



MY COMMISSION EXPIRES: 06-03-90



BY LAWS OF
HIGHLAND COMPOSITE PROPERTY OWNERS ASSOCIATION, INC.

ARTICLE I

The name of the Corporation is: HIGHLAND COMPOSITE PROPERTY OWNERS ASSOCIATION, INC.

ARTICLE II

The annual membership meeting of this Corporation shall be held on the 2nd Friday of September of each and every year except if such day be a legal holiday then and in that event the Board of Directors shall fix the date, but it shall not be more than two weeks from the date fixed by these By-Laws. The Secretary shall cause to be mailed to every member in good standing at his address as it appears in the membership roll book of this Corporation a notice telling the time and place of such Annual Meeting.

Regular meetings of this Corporation shall be held at a place and time to be determined by the Board of Directors.

The presence of not less than one-tenth of the members shall constitute a quorum and shall be necessary to conduct the business of this Corporation; but a lesser number may adjourn the meeting for a period of not more than two weeks from the date scheduled by these By-Laws and the secretary shall cause a notice of this scheduled meeting to be sent to all those members who were not present at the meeting originally called. A quorum as hereinbefore set forth shall be required at any adjourned meeting.

Special meetings of this Corporation may be called by the President when he deems it for the best interest of the Corporation. Notices of such meeting shall be mailed to all members at their addresses as they appear in the membership roll book at least 3 but not more than 15 days before the scheduled date set for such special meeting. Such notice shall state the reasons that such meeting has been called, the business to be transacted at such meeting and by whom called.

At the request of two members of the Board of Directors or one-tenth of the members of the Corporation, the President shall cause a Special Meeting to be called but such request must be made in writing at least 30 days before the requested scheduled date. In the event of an emergency, written notification shall be waived.

No other business but that specified in the notice may be transacted at such Special Meeting without the unanimous consent of all present at such meeting.

ARTICLE III

VOTING

At all meetings, except for the elections of the officers and Directors where proxies may be utilized, all votes shall be via voice vote, except that for election of officers, ballots shall be provided and there shall not appear any place on such ballot any mark or marking that might tend to indicate the person who cast such ballot.

At any regular or Special Meeting if a majority so requires, any question may be voted upon in the manner and style provided for election of officers and directors.

At all votes by ballots, the chairman of such meeting shall immediately, prior to the commencement of balloting, appoint a committee of three who shall act as "Inspectors of Election" and who shall at the conclusion of such balloting, certify in writing to the Chairman the results and the certified copy shall be physically affixed in the minute book to the minutes of that meeting.

No "Inspector of Election" shall be a candidate for office or shall be personally interested in the question vote upon.

Each home owner in the subdivision is entitled to cast one vote per household.

ARTICLE IV

ORDER OF BUSINESS

1. Roll call.
2. Reading of the minutes of the preceding meeting.
3. Reports of Committees.
4. Reports of Officers.
5. Old and Unfinished Business.
6. New Business.
7. Good and Welfare.
8. Adjournments.

ARTICLE V

BOARD OF DIRECTORS

The business of this Corporation shall be managed by a Board of Directors consisting of at least one member, together with the Officers of the Corporation. At least one of the directors shall be a resident of the State of Texas and citizen of the United States.

The directors to be chosen for the ensuing year shall be chosen at the annual meeting of this Corporation in the same manner and style as the officers of this Corporation and they shall serve for a term of one year.

The Board of Directors shall have the control and management of the affairs and business of this Corporation except that the Board of Directors shall not incur indebtedness beyond normal operating expenses for which funds are readily available such, Board of Directors shall only act in the name of the Corporation when it shall be regularly convened by its Chairman after due notice to all the Directors of such meeting.

Three of the members of the Board of Directors shall constitute a quorum and the meetings of the Board of Directors shall be held regularly on the 2nd Friday of September.

Each Director shall have one vote and such voting may not be done by proxy.

The Board of Directors may make such rules and regulations covering its meetings as it may in its discretion determine necessary.

Vacancies in the said Board of Directors shall be filled by a vote of the majority of the remaining members of the Board of Directors for the balance of the year.

The President of the Corporation by virtue of the office, shall be chairman of the Board of Directors. The Board of Directors shall select from one of their number a Secretary.

A Director may be removed when sufficient cause exist for such removal. The Board of Directors may entertain charges against any Director. That Director may be represented by counsel upon any removal hearing. The Board of Directors shall adopt such rules as it may in its discretion consider necessary for the best interest of the Corporation, for this hearing.

ARTICLE VI

OFFICERS

The officers of the Corporation shall be as follows:

1. President

2. Vice President
3. Secretary
4. Treasurer

THE PRESIDENT shall preside at all membership meetings.

He shall by virtue of his office, be Chairman of the Board of Directors.

He shall preside at each Annual Meeting of the Corporation.

He shall appoint all committees, temporary or permanent.

He shall see that all books, reports and certificates, as required by law, are properly kept or filed.

He shall be one of the officers who may sign the checks or drafts of the Corporation.

He shall have such powers as may be reasonably construed as belonging to the chief executive of any corporation.

THE VICE PRESIDENT: Shall in the event of the absence or inability of the President to exercise his office, become Acting President of the Corporation with all the rights, privileges and powers as if he had been the duly elected president.

THE SECRETARY: Shall keep the minutes and records of the Corporation in appropriate books.

It shall be his duty to file all certificates required by any statute, federal or state.

He shall give and serve all notices to members of this Corporation.

He shall be one of the officers required to sign the checks and drafts of the Corporation.

He shall submit to the Board of Directors any communication which shall be addressed to him as Secretary of the Corporation.

He shall attend to all correspondence of the Corporation and shall exercise all duties incident to the office of Secretary.

THE TREASURER: Shall have the care and custody of all monies belonging to the Corporation and shall be solely responsible for such monies or securities of the Corporation. He shall cause to be deposited in a regular business bank or trust company a sum to be determined by the Board of Directors dependent on available funds, and the balance of the funds of the Corporation shall be deposited in a

saving bank in the State of Texas, or other investments as the Board deems correct and proper.

He must be one of the officers who shall sign checks or drafts of the Corporation. No special funds may be set aside that shall make it unnecessary for the Treasurer to sign the checks issued upon it.

He shall render, at stated periods as the Board of Directors shall determine, a written account of the finances of the Corporation and such report shall be physically affixed to the minutes of the Board of Directors of such meeting.

He must be bonded in the minimum amount of Five Thousand Dollars.

He shall exercise all duties incident to the office of Treasurer.

Officers of the Corporation, by virtue of their office, be members of the Board of Directors and shall serve for a term of one year.

No officer shall for reason of his office, be entitled to receive any salary or compensation, but nothing herein shall be construed to prevent an officer or Director from receiving any compensation from the Corporation for duties other than as a Director or officer.

ARTICLE VII

SALARIES

The Board of Directors shall hire and fix the compensation of any and all employees, which they in their discretion, may determine to be necessary in the conduct of the business of the Corporation.

ARTICLE VIII

COMMITTEES

All committees of this Corporation shall be appointed by the President and their term of office shall be for a period of one year or less if sooner terminated by the action of the President.

The permanent committees shall be as directed by the President.

ARTICLE IX

DUES

All dues shall be waived until such time as called for by a majority vote of 51% of the home owners of Highland Estates, Wildwood Acres, Greentree and Oakhurst Estates Subdivisions.

ARTICLE X

These By-Laws may be altered, amended, repealed or added to by an affirmative vote of at least fifty-one percent (51%) of the home owners within Highland Estates, Wildwood Acres, Greentree and Oakhurst Estates.

ARTICLE XI

MISCELLANEOUS PROVISIONS

In any proceeding at law or equity wherein court costs and/or attorney's fees are incurred, the person or persons against whom such actions are taken shall be liable for such court costs and for reasonable attorney's fees incurred.

ARTICLE XII

MAINTENANCE FUND

A. Creation of the Lien and Personal Obligation for Assessments.

Each owner of any Lot which shall be or thereafter become assessable, by acceptance of a Deed therefore, whether or not it shall be expressed in such Deed or other evidence of the conveyance, is deemed to covenant and agreed to pay the Association the following:

- (1) Annual assessments or charges;
- (2) Special assessments for capital improvements; and
- (3) Any other sums to the extent they are specifically provided for elsewhere in this instrument.

Such assessments or charges are to be fixed, established and collected as hereinafter provided. These charges and assessments, together with such interest thereon and cost of collection thereof, as hereinafter provided shall be charged on the land and shall be secured by a continuing Lien upon the loss against which such assessments or charges are made. Each such assessment or charge, together with such interest, cost, and reasonable attorney's fees shall also be and remain the personal obligation of the individual or individuals who owned the particular lot at the time the assessment or charge fell due notwithstanding any subsequent transfer of title to such Lot. The personal obligation for delinquent assessments and charges shall not pass to successors in title unless expressly assumed by them.

B. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in Highland Estates Composite for the improvement and maintenance of any Common Area.

C. Maximum Annual Beginning September 1, of the year 1986, the maximum annual assessment shall be \$60.00 per lot.

(1) From and after September 1, 1986, the maximum annual assessment may be increased each year not more than 3% above the maximum assessment for the previous year without a vote of the membership.

(2) From and after September 1, 1986, the maximum annual assessment may be increased above 3% by a majority vote of members who are voting in person or by proxy, at a meeting duly called for this purpose.

D. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon any Common Area, including fixtures and personal property related thereto provided that any such assessment shall have the assent of 51% of the members who are voting in person or by proxy at a meeting duly called for this purpose.

E. Notice and Quorum for Any Action Authorized Under these By Laws. Written notice of any meeting called for the purpose of taking any action authorized under these By-Laws, to include the altering, amending, repealing, or adopting new By-Laws, shall be sent to all members not less than 10 days nor more than 30 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast ten percent (10%) of all eligible votes shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice and quorum requirements.

F. Date of Commencement of Annual Assessments: Due Dates:

The annual assessments provided for herein shall commence as to all Lots on September 1, 1986. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

G. Rates of Assessment. Annual assessments and any Special Assessments on all Lots must be fixed at a uniform rate for all lots whether improved or unimproved.

H. Effect of Nonpayment of Assessments; Remedies of the Association:

Any assessment or charges which are not paid when due shall be delinquent. If an assessment or charge is not paid within thirty (30) days after the due date, it shall bear interest from the due date at the rate of ten percent (10%) per annum, and the Corporation may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien herein retained against the Lot. Interest, costs and reasonable attorney's fees incurred in such action shall be added to the amount of such assessment or charge. Each such Owner, by his acceptance of a Deed to a Lot, hereby expressly vest in the Corporation or its agents the right and power to bring all actions against such Owner personally for the collection of such assessments and charges as debts and to enforce liens, including foreclosures by action brought in the name of the Corporation in a like manner as a mortgage or deed of trust lien foreclosure on real property, and such Owner expressly grants to the Association a power of sale and non-judicial foreclosure in connection with said lien. No owner can waive or otherwise escape liability for the assessments provided for herein by non-use of any Common Area or abandonment of his Lot.

1. Subordination of the Lien to Mortgages: The Lien securing the payment of all assessments and charges due the Corporation, provided for herein shall be subordinate to any valid purchase money lien or mortgage covering a Lot. Sale or transfer of any Lot shall not affect the assessment Lien. However, the sale or transfer of any Lot pursuant to a judicial or non-judicial foreclosure under such lien or mortgage shall extinguish the lien securing such assessments or charges as to payments which become due prior to such sale or transfer. No such sale or transfer shall relieve such Lot or the Owner thereof from liability for any charges or assessments thereafter becoming due or from the lien thereof. In addition to the automatic subordination provided hereinabove, the Corporation, in the discretion of its Board of Directors, may subordinate the lien securing any assessment provided for therein to any other mortgage, lien or encumbrance, subject to such limitation, if any, as the Board may determine.

ARTICLE XIII

The By-Laws of the Corporation may be altered, amended, or repealed and new By-Laws may be adopted by the Directors, subject to repeal or change by action of the shareholders.

ADOPTED by the Board of Directors on Sept. 17, 1936.

636-00-1836

Paul H. Adams President
DIRECTOR

R. Michael Ferry Treasurer
DIRECTOR

Eric Adams
DIRECTOR

ATTEST:

[Signature]
SECRETARY

9-2-86(D-11)

Architectural Control Committee Guidelines

A review committee was established by the Highlands Composite Property Owner's Association March 12, 1993, for the purpose of inspecting building plans and permits prior to construction. This committee enforces the Recorded Deed Restrictions for Highland Estates, volume 975, pages 466-470. Wildwood Acres, Greentree, and Oakhurst Estates are Recorded in volumes, 1006, pages 100-107, and volume 1024, pages 549--553.

In accordance with committee guidelines, the association requires the following:

1. Building plans and permits must be submitted to the committee prior to construction. Septic systems must be installed according to Montgomery County Specifications.
2. All property owners and homeowners agree to comply with restrictions, with the understanding that failure to do so will result in legal action against the violators, and violators will be held liable for all legal and court costs.
3. Builders must complete exterior of the home within 6 months, and the house must contain at least 1500 square feet. The developer, Stuart and Hill, increased the square footage requirement in 1984, as confirmed by the attached document, dated December 16, 1997.

4. Any variance, which is approved by the committee, and is agreed to by the Highlands Composite Property Owner's Association, must be in writing, and is binding to all parties.
In accordance with these guidelines, the association, in cooperation with the review committee, request that all new home builders agree to the above terms, and signify cooperation by signing and dating this agreement.

Must be signed by 2 (two) Association Officers _____

636-00-1838

STUART & HILL INC.

**P.O. BOX 13172
HOUSTON, TX 77019
FAX (713) 974-2622**

December 16, 1997

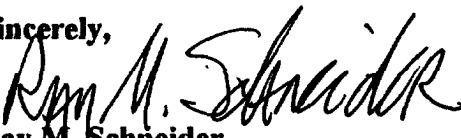
**Highland Composite Property Owners Assoc.
P.O. Box 743
Tomball, TX 77377**

Dear Ms. Adams:

We would like to clarify the restrictions set forth for Highland Estates, Oakhurst Estates, Wildwood Estates and Greentree Estates which the original developers (Lind & Fitzmaurice) intended for the above properties. The minimum square footage requirement for all properties was and is 1,500 square feet. All properties were assessed \$10.00 per month for maintenance fees. The \$10.00 per month fee has been a set fee collected by Stuart & Hill Inc. in the past. This fee was the same for each and every property owner in Highland Estates, Oakhurst Estates, Wildwood Estates, & Greentree Estates.

Should you need any additional information, please do not hesitate to contact me at (713) 974-4060.

Sincerely,

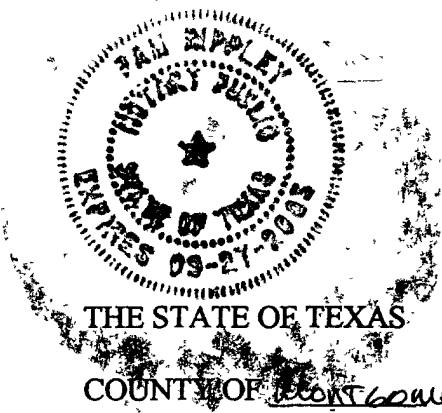

**Ray M. Schneider
President**

AFFIDAVIT FOR THE FILING OF DEDICATORY INSTRUMENTS

THE STATE OF TEXAS §
COUNTY OF Montgomery §

KNOW ALL MEN
BY THESE PRESENTS:

WHEREAS, the attached documents are true and correct copies of the dedicatory instruments for Highland Composite Property Owners Association, Inc and are being filed in the Real Property Records of Montgomery County pursuant to Section 202.006 of the Texas Property Code.



By: David H Adams
Printed Name: David H. Adams
Title: President Hcpoa

THE STATE OF TEXAS §
COUNTY OF MONTGOMERY §

BEFORE ME, the undersigned authority, on this day personally appeared DAVID ADAMS, whose position is PRESIDENT of HIGHLAND COMPOSITE PROPERTY OWNERS ASSOC., known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 21 day of December, 1999.

[Handwritten mark]

[Signature]
Notary Public in and for
The State of Texas

After recording return to:

HCPoA
PO Box 743
Tomball, TX. 77377

FILED FOR RECORD
99 DEC 28 AM 10: 51

MARK TURNBULL, CO. CLERK
MONTGOMERY COUNTY, TEXAS

[Signature]
DEPUTY

STATE OF TEXAS
COUNTY OF MONTGOMERY
I hereby certify that this instrument was filed in File Number Sequence on the date and at the time stamped herein by me and was duly RECORDED in the official Public Records of Real Property of Montgomery County, Texas

DEC 28 1999



Mark Turnbull
COUNTY CLERK
MONTGOMERY COUNTY, TEXAS