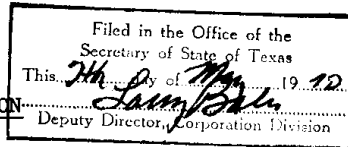


ARTICLES OF INCORPORATION  
OF  
EXOTIC ISLE HOMEOWNERS ASSOCIATION



WE, the undersigned natural persons of the age of 21 years 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.

NAME

The name of the corporation is EXOTIC ISLE HOMEOWNERS ASSOCIATION.

ARTICLE II.

NON-PROFIT

This corporation is a non-profit corporation, and no part of its property, whether income or principal, shall ever inure to the benefit of any officer, director 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 officer, director, employee or individual receive or be lawfully entitled to receive any pecuniary profits from the operations of this corporation except reasonable compensation for services rendered in carrying out one or more of its purposes as hereinafter stated.

ARTICLE III.

STOCK

The corporation shall have no stock or shares.

ARTICLE IV.

PURPOSES

The specific purposes for which this Association is formed are to provide architectural and land use control of the residential lots in EXOTIC ISLE, a Subdivision of an island of 35.376 acres of land bounded by the Waters of the Colorado River, in Matagorda County, Texas, and to purchase, receive, lease or otherwise acquire, own, hold, maintain and improve the common grounds and common improvements and facilities, including water and sewer service, located within or serving said Subdivision, for the exclusive benefit of the owners of property in said Subdivision, their guests, tenants and invitees.

ARTICLE V.

REGISTERED AGENT AND OFFICE

The street address of the initial registered office of the corporation is 404 Houston Title Building, Houston, Texas, and the name of its initial registered agent at such address is T. Keith Schier.

ARTICLE VI.

MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any lot in Exotic Isle Subdivision, 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. No owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of any lot. Ownership of such lot shall be the sole qualification for membership.

ARTICLE VII.

VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A: Class A members shall be all those Owners as defined in Article VI, with the exception of Exotic Isle Company, a Texas Corporation, 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, but the vote for such lot shall be exercised as they among themselves determine, and in no event shall more than one (1) vote be cast with respect to any lot.

Class B: The Class B member shall be Exotic Isle Company (the "Developer" of the Subdivision as defined in "Declaration of Access Easement and Restrictions", hereinafter called the "Declaration", applicable to said Exotic Isle Subdivision and recorded or to be recorded in the Office of the County Clerk of Matagorda County, Texas, and as the same may be amended from time to time as therein provided). The Class B member shall be entitled to three (3) votes for each lot owned by it, PROVIDED 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 July 1, 1973.

ARTICLE VIII.

BOARD OF DIRECTORS

The number of directors constituting the initial Board of Directors of the corporation 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>
T. Keith Schier	404 Houston Title Bldg. Houston, Texas
Durell M. Carothers	825 Niels Esperson Bldg. Houston, Texas
Carolyn W. Lard	825 Niels Esperson Bldg. Houston, Texas

The initial Board of Directors shall each serve for a term of three (3) years. The number of Directors (whether of the initial or any succeeding Board) may be changed by amendment of the By-Laws of the Association. In the event before the expiration of the term of any Director he shall die, resign or otherwise fail or refuse to serve or continue to serve as Director, a majority of the remaining Directors may select someone to fill the vacancy on the Board of Directors thus created, but only for the unexpired portion of the term of any Director who has created a vacancy. This provision shall apply only to the initial Board of Directors. Upon expiration of the term of office of the initial Board of Directors, as provided herein, the manner of election and the term of office of the Board of Directors and the filling of any vacancy shall be governed by the By-Laws of the Corporation, not inconsistent with law.

ARTICLE IX.

INCORPORATORS

The name and address of each incorporator is:

<u>NAME</u>	<u>ADDRESS</u>
T. Keith Schier	404 Houston Title Bldg. Houston, Texas
David Donoghue	202 Houston Title Bldg. Houston, Texas
Raymond W. King	202 Houston Title Bldg. Houston, Texas

ARTICLE X.

BY-LAWS

The corporation shall be governed by By-Laws to be adopted by the first Board of Directors, which By-Laws may be amended from time to time in the manner therein provided, not inconsistent herewith or with the Texas Non-Profit Corporation Act.

ARTICLE XI.

DURATION


The corporation shall exist perpetually.

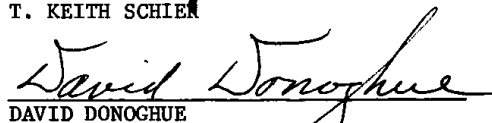
ARTICLE XII.

DISSOLUTION

Upon dissolution of the corporation, its assets shall be distributed to pay, satisfy and discharge all liabilities and obligations of the corporation. In case its assets are insufficient to satisfy or discharge all such liabilities and obligations, the corporation shall apply them so far as they will go to the just and equitable payment of such liabilities and obligations. All assets held by the corporation in excess of those needed to pay, satisfy and discharge all liabilities and obligations of the corporation, including contingent as well as accrued or incurred liabilities, if any, shall be distributed to members according to a plan of distribution adopted by the members at the time of dissolution not inconsistent with law.

IN WITNESS WHEREOF, we have hereunto set our hands this the 5<sup>th</sup> day of May, A. D. 1970.

  
T. KEITH SCHIEN

  
DAVID DONOGHUE

  
RAYMOND W. KING

THE STATE OF TEXAS }

COUNTY OF HARRIS }

I, DONNA LEWIS, a Notary Public,  
do hereby certify that on this 5th day of May, 1970, personally appeared  
before me T. KEITH SCHIER, DAVID DONOGHUE and RAYMOND W. KING, 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 of office  
the day and year above written.

Donna Lewis  
Notary Public in and for Harris County,  
T e x a s

My Commission Expires:

June 1, 1971