

FILED
In the Office of the
Secretary of State of Texas

MAR 08 2002

ARTICLES OF MERGER
OF
MNW HOMEOWNERS ASSOCIATION, INC.
AND
MEMORIAL NORTHWEST HOMEOWNERS ASSOCIATION
UNDER THE NAME OF
MEMORIAL NORTHWEST HOMEOWNERS ASSOCIATION

Corporations Section

THE STATE OF TEXAS §
COUNTY OF HARRIS § KNOW ALL MEN BY THESE PRESENTS:

Pursuant to the provisions of *Article 5.04 of the Texas Non-Profit Corporation Act*, the undersigned corporations adopt the following Articles of Merger for the purpose of merging them into one of such corporations:

1. The following Plan of Merger was approved by the members of each of the undersigned corporations in the manner prescribed by the *Texas Non-Profit Corporation Act*:

"ARTICLE I - PLAN OF MERGER

1.01. A plan of merger of MNW HOMEOWNERS ASSOCIATION, INC. (hereinafter sometimes referred to as "MNW SMALL") and MEMORIAL NORTHWEST HOMEOWNERS ASSOCIATION (hereinafter sometimes referred to as "MNW LARGE"), jointly sometimes referred to herein as the "constituent corporations," pursuant to Board resolutions and pursuant to the provisions of *Section 5.01 of the Texas Non-Profit Corporation Act*, *Article 1396 of the Texas Revised Civil Statutes*, is proposed as follows:

(1) MNW SMALL shall be merged with and into MNW LARGE, to exist and be governed by the laws of the State of Texas.

(2) The name of the surviving corporation shall be MEMORIAL NORTHWEST HOMEOWNERS ASSOCIATION

(3) The separate existence of MNW HOMEOWNERS ASSOCIATION, INC. shall cease and the surviving corporation shall succeed, without other transfer, to all the rights and property of each of the constituent corporations.

(4) The surviving corporation will carry on business with the assets and the authority of MNW SMALL, as well as the assets and authority of MNW LARGE.

(5) Following the consummation of the proposed merger, all existing committees of MNW SMALL shall cease to exist and all existing committees of MNW LARGE shall continue in existence.

(6) In addition to the foregoing, such proposed merger is subject to, and conditioned upon, such recitals, terms and requirements as are set forth hereinafter.

1.02. Effective Date. The effective date of the merger shall be the date when a certificate of merger is issued by the Secretary of State of the State of Texas.

ARTICLE II - RECITALS OF MERGING CORPORATIONS

2.01. MEMORIAL NORTHWEST HOMEOWNERS ASSOCIATION: MNW LARGE is a non-profit corporation duly organized, validly existing, and in good standing under the laws of the State of Texas, with corporate power to own property and carry on its business as it is now being conducted. MNW LARGE was incorporated on July 2, 1973 under Charter No. 00327037-01, as provided in the Certificate of Incorporation issued by the Secretary of State of the State of Texas. The creation and operation of MNW LARGE is provided for in the Restrictions for numerous Sections of Memorial Northwest Subdivision, respectively, and MNW LARGE has jurisdiction over those numerous Sections of said Subdivision (currently One Thousand Eight Hundred Sixty-Seven (1,867) Lots) located in Harris County, Texas. MNW LARGE is a "property owners' association" as that term is defined in *Title 11 of the Texas Property Code*. Membership in MNW LARGE is mandatory for the owners of all Lots located in the numerous Sections of Memorial Northwest Subdivision within its jurisdiction. MNW LARGE has only one (1) class of members. The purpose of MNW LARGE is set forth in its Articles of Incorporation.

The mandatory combined annual maintenance fee, assessments, community service fee and/or membership dues is currently One Hundred Ninety-Six and No/100 Dollars (\$196.00) per Lot per year. MNW LARGE has a number of current contracts in place, included, but not limited to, those contracts concerning such services as median/entranceway maintenance, participation in the Harris County Contract Deputy Program and full service management and bookkeeping. MNW LARGE owns no real property and has no long term debt. "Long term debt" excludes contractual obligations as referenced above and is herein defined as any debt which is not paid monthly or quarterly in the normal course of business. The assets of MNW LARGE consists of certain items of personalty and all cash on hand (regardless of account designations).

2.02. MNW HOMEOWNERS ASSOCIATION, INC.: MNW SMALL is a non-profit corporation duly organized, validly existing, and in good standing under the laws of the State of Texas, with corporate power to own property and carry on its business as it is now being conducted. MNW SMALL was incorporated on February 24, 1993 under Charter No. 01261659-01, as provided in the Certificate of Incorporation issued by the Secretary of State of the State of Texas. The purpose of MNW SMALL is as set forth in its Articles of Incorporation. The creation and operation of MNW SMALL is provided for in the Restrictions for the three (3) Sections within its

jurisdiction, respectively, and MNW SMALL has jurisdiction over those three (3) Sections of said Subdivision (currently One Hundred Thirty-Three (133 Lots) located in Harris County, Texas. MNW SMALL is a "property owners' association" as that term is defined in *Title 11 of the Texas Property Code*. Membership in MNW SMALL is mandatory for the owners of all Lots located in the three (3) Sections within its jurisdiction (being Memorial Northwest, Sections Eighteen (18) and Twenty-Five (25) and Memorial Northwest Country Estates). MNW SMALL has only one (1) class of members. The purpose of MNW SMALL is set forth in its Articles of Incorporation.

With the exception of a landscaping contract (terminable with thirty days written notice by either party), MNW SMALL has no liabilities. MNW SMALL owns no real property and has no long term debt. "Long term debt" is herein defined as any debt which is not paid monthly or quarterly in the normal course of business. The assets of MNW SMALL consists of certain items of personalty and all cash on hand (regardless of account designations).

ARTICLE III - MERGER

3.01. Surviving Corporation. MNW SMALL shall be merged with and into MNW LARGE (the surviving corporation) under the laws of the State of Texas. Thereafter, all members of MNW SMALL shall be members of MNW LARGE, with such members having equivalent rights of all other members of MNW LARGE.

3.02. Name. The name of the surviving corporation shall be: MEMORIAL NORTHWEST HOMEOWNERS ASSOCIATION.

ARTICLE IV - ADDITIONAL TERMS AND CONDITIONS

4.01. Operation. The assets of the surviving corporation may vary somewhat depending on the operating expenses incurred by the constituent corporations, respectively, in the interim. Services provided to the surviving corporation, including, but not limited to, banking, accounting, security and maintenance, shall be reviewed and may be streamlined in whatever manner deemed appropriate by a majority vote of the surviving corporation's Board of Directors so as to function in an efficient and effective manner.

4.02. Negative Covenants. Between the date of this Plan of Merger and the date on which the merger shall be effective, neither of the constituent corporations intend to:

- (1) Declare or pay any refunds to its members;
- (2) Except in the normal course of business and for adequate value, dispose of any of its assets; and
- (3) No monies shall be borrowed by MNW SMALL and no liens, debts or other encumbrances may be placed upon any property of MNW SMALL.

4.03. Beautification of Aylesbury Entrance. Should the merger contemplated herein be successfully concluded (by filing Articles of Merger with the Texas Secretary of State as aforesaid), MNW LARGE shall be obligated to make certain improvements (i.e., beautification) to the brick "wing walls" located at the Aylesbury Street entrance into Memorial Northwest, Section Eighteen (18), such entrance being located at the intersection of Aylesbury Street and Theiss Mail Route Road, and which improvements are anticipated to include installing a stone veneer over all or portions of the existing brick walls and the installation of lettering on the brick wall(s) consisting of the words "MEMORIAL NORTHWEST." It is anticipated that the costs of such beautification project will be approximately Fifteen Thousand Dollars (\$15,000.00); however, the actual cost thereof may be more or less. Further, it is anticipated that such project will be concluded by December 31, 2003.

4.04. MNW LARGE - Area Directors and At-Large Directors. Upon the effective date of the merger, the geographical area currently within the jurisdiction of MNW SMALL shall be designated to be in one (1) or more "areas" as determined by the Board of Directors of the surviving corporation. Accordingly, the owners of Lots within such geographical area shall be afforded the opportunity to vote for an "area director," as well as to vote for At-Large Directors/Officers of MNW LARGE, in accordance with the Restated By-Laws of MNW LARGE currently in effect, which Restated By-Laws are subject to future amendment.

4.05. Further Assignments or Assurances. If at any time the surviving corporation shall consider or be advised that any further assignments or assurances in law are necessary to vest or to perfect or to confirm of record in the surviving corporation, the title to any property or rights of either of the constituent corporations, or otherwise carry out the provisions hereof, the proper officers and directors of the constituent corporation concerned, as of the effective date of the merger, shall execute and deliver all proper deeds, assignments, confirmations, and assurances in law, and do all acts proper to vest, perfect, and confirm title to such property or rights in the surviving corporation, and otherwise carry out the provisions hereof.

ARTICLE V - ARTICLES OF INCORPORATION

5.01. It is not anticipated that the Articles of Incorporation of the surviving corporation will be amended in conjunction with the planned merger.

ARTICLE VI - BY-LAWS

6.01. It is not anticipated that the By-Laws of the surviving corporation will be amended in conjunction with the planned merger.

ARTICLE VII - TERMINATION

7.01. Circumstances. The merger herein provided for may be abandoned and/or terminated at any time before or after approval by the members of both of the constituent corporations hereto,

but prior to the effective date of the merger, by either of the constituent corporations, for any reason, with or without cause.

ARTICLE VIII - INTERPRETATION AND PERFORMANCE

8.01. Notices. Any notice, request, demand, or other communication given hereunder shall be sufficiently given when deposited in the United States mail, postage prepaid, or when deposited with a public telegraph company for transmittal, charges prepaid, addressed:

(1) In the case of MNW LARGE, to MR. J. C. FREEMAN, President, MEMORIAL NORTHWEST HOMEOWNERS ASSOCIATION, c/o Consolidated Management Services, 2204 Timberloch Place, Suite 245, The Woodlands, Texas 77380, or to such other person or address as MNW LARGE may from time to time furnish to MNW SMALL.

(2) In the case of MNW SMALL, to MS. RANAE GLEASON, President, P. O. Box 11203, Spring, Texas 77391, or to such other person or address as MNW SMALL may from time to time furnish to MNW LARGE.

Section 8.02. Controlling Law. The validity, interpretation, and performance of this Plan of Merger shall be controlled by and construed under the laws of the State of Texas, with venue in Harris County."

2. As to each of the undersigned corporations, the Plan of Merger was adopted in the following manner:

(a) The Plan of Merger was adopted at a meeting of members of MNW HOMEOWNERS ASSOCIATION, INC., held on February 5, 2002, at which a quorum was present, and the Plan of Merger received at least two-thirds (2/3) of the votes which members present or represented by proxy at such meeting were entitled to cast.

(b) The Plan of Merger was adopted at a meeting of members of MEMORIAL NORTHWEST HOMEOWNERS ASSOCIATION, held on February 26, 2002, at which a quorum was present, and the Plan of Merger received at least two-thirds (2/3) of the votes which members present or represented by proxy at such meeting were entitled to cast.

Dated: February 28, 2002.

MNW HOMEOWNERS ASSOCIATION,
INC., a Texas Non-Profit Corporation

By: Ranae Gleason
RANAE GLEASON, President

MEMORIAL NORTHWEST HOMEOWNERS
ASSOCIATION, a Texas Non-Profit Corporation

By: J. C. Freeman
J. C. FREEMAN, President

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, a notary public, on this day personally appeared RANAE GLEASON, known to me to be the person whose name is subscribed to the foregoing document, and being by me first duly sworn, declared that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 28 day of February, 2002.

Michele L. Boyer
NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §



BEFORE ME, a notary public, on this day personally appeared J. C. FREEMAN, known to me to be the person whose name is subscribed to the foregoing document, and being by me first duly sworn, declared that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 28 day of February, 2002.

Michele L. Boyer
NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS

Page 6 of 6 Pages

