

## ARTICLES OF INCORPORATION

OF

## MORGAN FOUNDATION

FILED  
In the Office of the  
Secretary of State of Texas

DEC 13 2002

Corporations Section

The undersigned, a natural person of the age of eighteen years or more, acting as the sole incorporator of a nonprofit corporation under the provisions of the Texas Non-Profit Corporation Act (the "Act"), adopts the following Articles of Incorporation (the "Articles"):

## ARTICLE 1

The name of the corporation is Morgan Foundation (the "Corporation").

## ARTICLE 2

The Corporation is a Texas nonprofit corporation subject to the Act.

## ARTICLE 3

The period of duration is perpetual.

## ARTICLE 4

The Corporation is organized exclusively for charitable, religious, educational, literary and scientific purposes within the meaning of Sections 501(c)(3) and 170(c)(2) of the Internal Revenue Code of 1986 or the corresponding provisions of any future United States Internal Revenue law (the "Code") and for the making of distributions to other organizations that will be used by such other organizations in a manner that furthers the Corporation's purposes under Section 501(c)(3) of the Code. No substantial part of the activities of the Corporation shall be carrying on propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distributing of statements) any political campaign on behalf of or in opposition to any candidate for public office.

## ARTICLE 5

No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to its directors, officers, or any other private person, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article 4. Notwithstanding any other provisions of these Articles, the Corporation shall not carry on any other activities not permitted to be carried on by (a) a corporation exempt from federal income tax under Section 501(c)(3) of the Code or (b) a corporation contributions to which are deductible under Section 170(c)(2) of the Code. In addition, it is specifically provided as follows:

1. No Self-Dealing. The Corporation shall not engage in an act of self-dealing as defined in Section 4941(d) of the Code.
2. Required Distributions. The Corporation shall make such distributions of its income for each taxable year at such time and in such manner as not to subject the Corporation to the tax on undistributed income under Section 4942 of the Code.
3. No Excess Business Holdings. The Corporation shall not retain any excess business holdings as defined in Section 4943(c) of the Code.
4. No Jeopardizing Investments. The Corporation shall not invest any amount in such a manner as to jeopardize the carrying out of any of its exempt purposes and thereby subject the Corporation to the tax imposed under Section 4944 of the Code.
5. No Taxable Expenditures. The Corporation shall not make any taxable expenditure as defined in Section 4945(d) of the Code.

#### ARTICLE 6

Upon the dissolution of the Corporation, its assets shall be distributed exclusively to charitable organizations that are exempt from federal income taxation under Section 501(a) of the Code as a result of being described in Section 501(c)(3) of the Code.

#### ARTICLE 7

The Corporation shall have no members.

#### ARTICLE 8

A director of the Corporation shall not be liable to the Corporation for monetary damages for an act or omission in the director's capacity as a director, except that this Article 8 does not eliminate or limit the liability of a director to the extent the director is found liable for:

1. A breach of the director's duty of loyalty to the Corporation;
2. An act or omission not in good faith that constitutes a breach of duty of the director to the Corporation or an act or omission that involves intentional misconduct or a knowing violation of the law;
3. A transaction from which the director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the director's office; and
4. An act or omission for which the liability of a director is expressly provided by an applicable statute.

In addition to the circumstances set forth above in which a director of the Corporation is not liable, a director shall be free from liability to the fullest extent permitted by any statutory provision hereinafter enacted that further limits the liability of directors.

#### ARTICLE 9

The Corporation assumes all liability to any person, other than the Corporation, for all acts or omissions of a director, provided the director was acting, or the omission occurred, in the good faith performance of the director's duties directly associated with or on behalf of the Corporation.

#### ARTICLE 10

The street address of the Corporation's initial registered office is 2121 Kirby Drive, #99, Houston, Texas 77019 and the name of its initial registered agent at such address is Molly K. Malone.

#### ARTICLE 11

The Corporation shall have a Board of Directors, and the management authority of the Corporation shall be vested in the Board of Directors.

The number of directors constituting the initial Board of Directors is five (5). The names and addresses of the persons who are to serve as initial directors of the Corporation are as follows:


<u>Names</u>	<u>Addresses</u>
Sara S. Morgan	2121 Kirby Drive, #99 Houston, Texas 77019
William V. Morgan	2121 Kirby Drive, #99 Houston, Texas 77019
Michael C. Morgan	3662 Piping Rock Houston, Texas 77027
Christine R. Morgan	3662 Piping Rock Houston, Texas 77027
Catherine A. Morgan	2121 Kirby Drive, #19 Houston, Texas 77019

#### ARTICLE 12

The name and address of the incorporator of the Corporation is as follows:

<u>Name</u>	<u>Address</u>
Randall K. Glover	711 Louisiana Street, Suite 2900 Houston, Texas 77002

IN WITNESS WHEREOF, I have hereunto set my hand this 13 day of  
December, 2002.

  
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Randall K. Glover, Incorporator