

FILED
In the Office of the
Secretary of State of Texas

ARTICLES OF INCORPORATION

JUL 11 1985

OF

KNOLLCREEK HOMEOWNERS ASSOCIATION

Clerk I-C
Corporations Section

We, the undersigned, natural persons of the age of twenty-one (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 Nonprofit Corporation Act, do hereby adopt the following Articles of Incorporation for such Corporation:

ARTICLE ONE

NAME

The name of the Corporation is KNOLLCREEK HOMEOWNERS ASSOCIATION, hereinafter sometimes called "the Corporation" or "the Association."

ARTICLE TWO

NONPROFIT

The Corporation is a nonprofit Corporation.

ARTICLE THREE

DURATION

The period of its duration is perpetual.

ARTICLE FOUR

PURPOSES AND POWERS

The purpose or purposes for which the Corporation is organized are to promote the recreation, health, safety and welfare of the residents in the properties including but not limited to the improvement and maintenance of the common area, including but not limited to, maintaining and operating entries, signs, medians, greenbelts and lighting systems (if owned by the Association) and recreational facilities within or serving the Knollcreek Subdivision which are owned by the Association, and any additions thereto as may hereafter be brought within the jurisdiction of this Association for this purpose to:

(a) Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set

forth in that certain Declaration of Covenants, Conditions and Restrictions, hereinafter called "the Declaration," applicable to the property and recorded or to be recorded in the Real Property Records of Bexar County, Texas, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

(b) Fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property by the Association;

(c) Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(d) Borrow money, and with the assent of two-thirds (2/3rds) of each class of members mortgage, pledge, deed in trust or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) Dedicate, sell or transfer all or any part of the common area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3rds) of each class of members, agreeing to such dedication, sale or transfer;

(f) Participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property and common area, provided that any such merger, consolidation or annexation shall have the

assent of two-thirds (2/3rds) of each class of members or as may be provided for in said Declaration;

(g) Have and to exercise any and all powers, rights and privileges which a Corporation organized under the Texas Nonprofit Corporation Act by law may now or hereafter have or exercise.

ARTICLE FIVE

MEMBERSHIP

Every record owner, whether one or more persons or entities, of fee simple title in any lot which is subject by covenants of record to assessment by the Association, 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 which is subject to assessment by the Association.

ARTICLE SIX

VOTING RIGHTS

The Association shall have two (2) classes of voting membership:

CLASS A. Class A members shall be all owners with the exception of the Declarant and shall be entitled to one (1) vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any lot.

CLASS B. The Class B member(s) shall be the Declarant (as defined in the Declaration), and shall be entitled to three (3) votes for each lot owned. 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 January 1, 2000.

ARTICLE SEVEN

BOARD OF DIRECTORS

The affairs of this Association shall be managed by a board of five (5) directors, who need not be members of the Association. The number of directors may be changed by amendment of the bylaws of the Association. Notwithstanding the foregoing, until the election of directors at the first annual meeting of the members, the three (3) initial board of directors shall so serve.

At the first annual meeting the Class A members shall elect two (2) directors for a term of one (1) year and the Class B member(s) shall elect three (3) directors for a term of one (1) year; and at each annual meeting thereafter the same procedure shall be followed until there are no longer any Class B member(s); and at such time the Class A members shall thereafter elect the entire board of directors.

ARTICLE EIGHT

DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3rds) of each class of members. 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 this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit Corporation, Association, trust or other organization to be devoted to such similar purposes.

ARTICLE NINEAMENDMENTS

Amendment of these articles shall require the assent of three-fourths (3/4ths) of the votes of the entire membership of each class of members.

ARTICLE TENREGISTERED AGENT

The street address of the initial registered office of the Corporation is 13441 Blanco Road, San Antonio, Texas 78216, and the name of its registered agent at such address is E. Thomas Stafford.

ARTICLE ELEVENINITIAL 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>
Bruce Friesenhahn	13441 Blanco Road San Antonio, Texas 78216
E. Thomas Stafford	13441 Blanco Road San Antonio, Texas 78216
Patrick Loy	13441 Blanco Road San Antonio, Texas 78216

ARTICLE TWELVEINCORPORATORS

The name and street address of each incorporator is:

<u>NAME</u>	<u>ADDRESS</u>
Richard L. Kerr	Frost Bank Tower, 16th Floor 100 West Houston San Antonio, Texas 78205-2878
William G. Shown	Frost Bank Tower, 16th Floor 100 West Houston San Antonio, Texas 78205-2878
Karen M. Vaughan	Frost Bank Tower, 16th Floor 100 West Houston San Antonio, Texas 78205-2878

ARTICLE THIRTEENFHA/VA APPROVAL

As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration (FHA) and/or the Veterans Administration (VA): annexation of additional properties, mergers and consolidations, mortgaging of Common Area, dedication of Common Area, dissolution and amendment of these Articles; provided, however, this provision shall be of no force and effect unless the FHA and/or VA has theretofore made, insured or guaranteed a loan covering property in the Knollcreek Subdivision at the time of the aforesaid actions.

IN WITNESS WHEREOF, we have hereunto set our hands on this the 10th day of July, 1985.

Richard L. Kerr
Richard L. Kerr
William G. Shown
William G. Shown
Karen M. Vaughan
Karen M. Vaughan

THE STATE OF TEXAS

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COUNTY OF BEXAR

I, BETTY R. BURTON, a notary public, do hereby certify that on this 10th day of July, 1985, personally appeared before me Richard L. Kerr, William G. Shown and Karen M. Vaughan, 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 the day and year above written.

My Commission Expires:
9/22/86

Betty R. Burton
Notary Public, State of Texas
BETTY R. BURTON