

ARTICLES OF INCORPORATION

OF

MOUNTAIN CREEK HOMEOWNERS ASSOCIATION, INC.

FILED
In the Office of the
Secretary of State of Texas

FEB 24 1971

Bill King
Deputy Director, Corporation Division

We, the under signed natural persons of the age of twenty-one 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 MOUNTAIN CREEK HOMEOWNERS ASSOCIATION, INC., hereafter called the "Association".

ARTICLE II

TYPE OF CORPORATION

The Association is a non-profit corporation and has no capital stock.

ARTICLE III

DURATION

The period of duration is perpetual.

ARTICLE IV

PURPOSES AND POWERS

This Association does not contemplate pecuniary gain or profit to its members, and the purposes for which it is formed are to provide for maintenance, preservation and architectural control of the residence Lots and Common Area within that certain real property described as follows:

Tract Two (2) of MOUNTAIN CREEK TOWNHOUSES according to the plat recorded in Volume 70109, Page 1764 of the Map Records of Dallas County, Texas.

and to promote the health, safety and welfare of the residents within the above described property, and any additions thereto as may be brought within the jurisdiction of the Association, and for these purposes the Association shall have the following powers:

(a) To 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 Office of the County Clerk of Dallas 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) To fix, levy and collect (enforcing payment by any lawful means) all charges and 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 for example, but not by way of limitation, all licenses, taxes or governmental charges levied or imposed against the property of the Association;

(c) To purchase, receive, lease 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) To borrow money, and to mortgage or pledge, any or all of its real or personal property as security for money borrowed or debts incurred;

(e) To engage the services of agents, independent contractors or employees to manage, operate or perform all or any part of the affairs and business of the Association; and

(f) To do and perform any and all lawful things and acts

which in its discretion are necessary or desirable in carrying out any or all of the purposes for which the Association is formed, and pay the costs and/or expenses in connection therewith.

Further, the Association shall have and exercise any and all powers, rights and privileges which a corporation organized under the Texas Non-Profit Corporation Act by law may now or hereafter have or exercise.

ARTICLE V

MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest 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. No Owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification of membership.

ARTICLE VI

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 V with the exception of the Declarant. Class A members shall be entitled to one vote for each Lot in which they hold the interest required for membership by Article V. When more than one person holds such 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 vote be cast with respect to any Lot.

Class B. Class B member(s) shall be the Declarant (as defined in the Declaration). The Class B member(s) shall be entitled to three (3) votes for each Lot in which it holds the interest required for membership by Article V, 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) Three (3) years from date hereof.

ARTICLE VII

AGENT AND OFFICES

11415 Chimney Rock Road, Houston, Texas, 77035, and Harlan E. Smith at such address constitute the initial registered office and agent, respectively, of the Association. The principal office of the Association is located at 433 Highway 303
P.O. Box 1078, Grand Prairie, Texas.

ARTICLE VIII

BOARD OF DIRECTORS

The affairs of the 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 By-Laws of the Association. The names and addresses of the persons who are to serve until the election of their successors are:

James C. Niver	13600 Murphy Rd., Stafford, Texas
Charles Monaco	13600 Murphy Rd., Stafford, Texas

Harlan E. Smith

13600 Murphy Rd., Stafford, Texas

Henry Broesche

13600 Murphy Rd., Stafford, Texas

Joe Mullins

13600 Murphy Rd., Stafford, Texas

At the first annual meeting the members shall elect one (1) director for a term of one (1) year, two (2) directors for a term of two (2) years and two (2) directors for a term of three (3) years; and at each annual meeting thereafter the members shall elect the director(s) for a term of three (3) years to fill each expiring term.

ARTICLE IX

LIABILITIES

The highest amount of indebtedness or liability, direct or contingent, to which this Association may be subject at any one time shall not exceed \$65,000.00 while there is a Class B membership, and thereafter shall not exceed 150 percent of its income for the previous fiscal year, provided that additional amounts may be authorized by the assent of two-thirds (2/3) of the membership.

ARTICLE X

MERGERS AND CONSOLIDATIONS

To the extent permitted by law, the Association may participate in mergers and consolidations with other non-profit corporations organized for the same purposes, provided that any such merger or consolidation shall have the assent of two-thirds (2/3) of the total voting membership.

ARTICLE XI

AUTHORITY TO MORTGAGE

Any mortgage by the Association of the Common Area defined in the Declaration shall have the assent of two-thirds (2/3) of the entire Class A membership and two-thirds (2/3) of the entire Class B membership, if any.

ARTICLE XII

AUTHORITY TO DEDICATE

The Association shall have power to 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 may be effective unless an instrument has been signed by members entitled to cast two-thirds (2/3) of the votes of the entire Class A membership and two-thirds (2/3) of the entire Class B membership, if any, agreeing to such dedication, sales or transfer.

ARTICLE XIII

DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of the entire Class A membership and two-thirds (2/3) of the entire Class B membership, if any. Upon dissolution of the Association, the assets, both real and personal of the Association, shall be dedicated to an appropriate public agency to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Association. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to purposes and uses that would most nearly reflect the purposes and uses to which they were required to be devoted by the Association.

ARTICLE XIV

MEETINGS FOR ACTIONS GOVERNED BY ARTICLES IX THROUGH XIII

In order to take actions under Articles IX through XIII, there must be a duly held meeting. Written notice, setting forth the purpose

of the meeting shall be given to all members not less than thirty (30) days nor more than fifty (50) days in advance of the meeting. The presence of members or of proxies entitled to cast sixty percent (60%) of the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth above, and the required quorum at such subsequent meeting shall be one-half (1/2) of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than fifty (50) days following the preceding meeting. In the event that two-thirds (2/3) of the Class A membership or two-thirds (2/3) of the Class B membership, if any, are not present in person or by proxy, members not present may give their written consent to the action taken thereat.

ARTICLE XV

AMENDMENTS

Amendment of these Articles shall require the assent of three-quarters (3/4) of the entire membership.

ARTICLE XVI

FHA/VA APPROVAL

As long as there is a Class B membership the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration:

Establishment of the amount of fractional annual assessment paid by Declarant on Lots not conveyed to Owners, annexation of additional properties, mergers and consolidations, mortgaging of Common Area, dedication of Common Area, dissolution and amendment of these Articles.

IN WITNESS WHEREOF, we have hereunto set our hands this 5th
day of February, 1970.

James C. Niver
James C. Niver

Charles Monaco
Charles Monaco

Harlan E. Smith
Harlan E. Smith

Henry Broesche
Henry Broesche

Joe Mullins
Joe Mullins

THE STATE OF TEXAS |
COUNTY OF ~~HARRIS~~ FORT BEND |

I, the undersigned authority, a Notary Public in and for ~~Harris~~ FORT BEND County, Texas, do hereby certify that on this 5th day of February, 1970, personally appeared before me JAMES C. NIVER, CHARLES MONACO, HARLAN E. SMITH, HENRY BROESCHE, and JOE MULLINS 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 the day and year above written.

LaVerne Wasehick
Notary Public in and for ~~Harris~~ FORT BEND County, Texas