

ARTICLES OF INCORPORATION

OF

WILLIAMSBURG ESTATES HOMEOWNERS' ASSOCIATION, INC.

I, the undersigned natural person of the age of eighteen (18) years or more, a citizen of the State of Texas, acting as incorporator of a corporation under the Texas Non-Profit Corporation Act, do hereby adopt the following Articles of Incorporation for such corporation.

ARTICLE I

The name of the corporation is WILLIAMSBURG ESTATES HOMEOWNERS' ASSOCIATION, INC. (hereinafter referred to as the "Association").

ARTICLE II

The Association is a non-profit corporation.

ARTICLE III

The period of its duration is perpetual.

ARTICLE IV

The principal office of the Association is located at 500 Grapevine Highway, Suite 231, Hurst, Texas 76054.

ARTICLE V

Douglas H. Gilliland, whose address is 500 Grapevine Highway, Suite 231, Hurst, Texas 76054, is hereby appointed the initial registered agent of this Association.

ARTICLE VI

The Association does not contemplate pecuniary gain or profit to its Members. The purpose or purposes for which the Association is formed are to provide for the maintenance, preservation and management of the residence Lots and Common Area on that certain tract of property described in Exhibit "A", attached hereto and made a part hereof, as shown in a plat recorded in Volume _____, Page _____, Plat Records, Tarrant County, Texas (hereinafter referred to as the "Properties") as more fully described in that certain Declaration of Covenants, Conditions and Restrictions (the "Declaration") filed in Volume _____, Page _____, et. seq., Deed Records of Tarrant County, Texas, and for any and all other property which is accepted by this Association for similar purposes, and to promote the health, safety and

welfare of the residents within the Properties and all other property which is accepted by this Association for similar purposes. The purposes of this Association are as follows:

a. To exercise all of the powers and privileges and perform all of the duties and obligations of the Association as set forth in the Declaration, as same may be amended from time to time, the Declaration being incorporated herein as if set forth at length;

b. To fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration and/or Bylaws; and, as agent, pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of this Association including all licenses, taxes or governmental charges levied or imposed against the property of this Association and to make disbursements, expenditures and payments on behalf of the said property Owners as required by the Declaration and the Bylaws of the Association; and to hold as agent for said property Owners reserves for periodic repairs, maintenance and capital improvements to be made as directed by the property Owners acting through the Board of Directors of the Association;

c. To acquire by gift, purchase or otherwise, to own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or to otherwise dispose of real or personal property in connection with the affairs of this Association subject to the limitations, if any, set forth in the Declaration;

d. To maintain all landscaping and recreational equipment on that certain Lot 12, Block 1, Lot 37, Block 2 and Lot 1, Block 4 of the Property and Lot 1, Block 1, Oak Timbers Estates, an addition to the City of _____, Tarrant County, Texas, as shown on a plat recorded in Volume _____, Page _____, et seq., Plat Records, Tarrant County, Texas (collectively called the "Additional Properties").

e. To borrow money, and with the assent of two-thirds (2/3) of each class of Members, mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, subject to the limitations, if any, set forth in the Declaration;

f. To provide general sanitation and cleanliness of Common Properties;

g. To provide management, upkeep, maintenance, repair and care of the Common Properties as provided in the Declaration and those Additional Properties described herein;

h. To incur or assume obligations and duties to the City of _____, Texas, or any other governmental authority, regarding the development, operation and maintenance of the Common Properties and any improvements within the Common Properties and those Additional Properties described herein;

i. To enter into and perform any contract and to exercise all powers which may be necessary or convenient to the operation, management, maintenance and administration of the affairs of the Association in accordance with the Declaration;

j. To have and to exercise any and all powers, rights and privileges a corporation organized under the Non-Profit Corporation Law of the State of Texas, may now or hereafter exercise;

k. To dedicate, sell or transfer all or any part of the Common Properties 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 (2/3) of each class of Members, agreeing to such dedication, sale or transfer;

l. To participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property and Common Properties, provided that any such merger, consolidation or annexation shall have the assent of two-thirds (2/3) of each class of Members.

ARTICLE VII

Every Owner of a Lot shall be a Member of the Association. Membership shall be appurtenant to and shall not be separated from ownership of a Lot. Every Member shall have the right at all reasonable times during business hours to inspect the books of the Association.

ARTICLE VIII

The Association shall have three classes of voting membership:

CLASS A: Class A Members shall be all Members other than Class B and Class C Members. Class A Members shall be entitled to one (1) vote for each Lot in which they hold the interest required for membership. When more than one person holds such interest or interests in any Lot, all such persons shall be Members, and 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 such Lot.

CLASS B: Class B Members shall be any bona fide Owner who is engaged in the process of constructing a residential dwelling on any Lot for sale to consumers. Class B Members shall be non-voting members of the Association. The Class B membership shall cease, and each Class B Member shall become a Class A Member:

(i) when the total number of votes outstanding in the Class A membership equals the total number of votes outstanding in the Class C membership; or

(ii) on the tenth (10th) anniversary of the date hereof, whichever occurs first in time.

CLASS C: The Class C Member shall be Declarant. The Class C Member shall be entitled to six (6) votes for each Lot which it owns and for each Lot owned by all Class B Members.

Notwithstanding the aforementioned voting rights within the Association and consistent with the provisions of Section 12.02 of the Declaration, until:

(a) Declarant no longer owns:

(i) record title to any Lot; and

(ii) a lien interest in any Lot; and

(iii) title to any adjoining acreage intended to be developed as an additional section or phase of Williamsburg Estates; or

(b) January 1, 2020,

whichever occurs first in time, neither the Association nor the Members shall take any action or inaction with respect to any matter whatsoever without the consent and approval of the Declarant, which shall not be unreasonably withheld or delayed.

ARTICLE IX

The Members of the Association shall elect the Board of Directors of the Association (the "Board"), and the Board shall, by majority rule, conduct all of the business of the Association, except when membership votes are required pursuant to the Declaration, the Articles of Incorporation or Bylaws of the Association. The number of Directors constituting the initial Board of the Association is two (2) and the names and addresses of the persons who are to serve as the initial Board of Directors are:

<u>NAME</u>	<u>ADDRESS</u>
Douglas H. Gilliland	500 Grapevine Highway, Suite 231 Hurst, Texas 76054
Rich Burns	500 Grapevine Highway, Suite 231 Hurst, Texas 76054

The Association may make whatever rules and bylaws it deems desirable to govern the Association and its members, provided, however, any conflict between such bylaws and the provisions hereof shall be controlled by the provisions of the Declaration.

ARTICLE X

The name and street address of the incorporator is:

<u>NAME</u>	<u>ADDRESS</u>
Douglas H. Gilliland	500 Grapevine Highway, Suite 231 Hurst, Texas 76054

ARTICLE XI

All terms as used herein, such as (but not by way of limitation) "Owners," "Properties," "Lot," "Common Properties," "Member" and "Declarant," shall have the same meanings as set forth in the Declaration.

ARTICLE XII

No Director of the Association shall be personally liable to the Association for monetary damages for an act or omission in the Director's capacity as a Director, except that this paragraph does not eliminate or limit the liability of a Director for (1) a breach of a Director's duty of loyalty to the Association, (2) an act or omission not in good faith or that involves intentional misconduct or a knowing violation of the

law, (3) a transaction from which a Director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the Director's office, or (4) an act or omission for which the liability of a Director is expressly provided for by statute. Neither the amendment or repeal of this Article shall eliminate or reduce the effect of this Article in respect of any matter occurring, or any cause of action, suit or claim that, but for this Article, would accrue or arise, prior to such amendment or repeal. If the Texas Non-Profit Corporation Act or the Texas Miscellaneous Corporation Laws Act is hereinafter amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a Director of the Association shall be eliminated or limited to the fullest extent permitted by the Texas Non-Profit Corporation Act or the Texas Miscellaneous Corporation Laws Act, as so amended from time to time.

ARTICLE XIII

(A) The Association shall indemnify, to the extent provided in the following paragraphs, any person who is or was a director, officer, agent or employee of the Association. In the event the provisions of indemnification set forth below are more restrictive than the provisions of indemnification allowed by Article 1396-2.22A of the Texas Non-Profit Corporation Act, then such persons named above shall be indemnified to the full extent permitted by Article 1396-2.22A of the Texas Non-Profit Corporation Act as it may exist from time to time.

(B) In case of a threatened or pending suit, action or proceeding (whether civil, criminal, administrative, or investigative), against a person named in paragraph (A) above by reason of such person's holding a position named in such paragraph (A), the Association shall indemnify such person if such person satisfies the standard contained in paragraph (C), for amounts actually and reasonably incurred by such person in connection with the defense or settlement of the suit as expenses (including court costs and attorneys' fees), amounts paid in settlement, judgments, penalties (including excise and similar taxes) and fines.

(C) A person named in Paragraph (A) above will be indemnified only if it is determined in accordance with Paragraph (D) below that such person:

(1) acted in good faith in the transaction which is the subject of the suit; and

(2) reasonably believed:

(a) if acting in his or her official capacity as director, officer, agent or employee of the Association, that his or her conduct was in the best interests of the Association; and

(b) in all other cases, that his or her conduct was not opposed to the best interests of the Association; and

(3) in the case of any criminal proceeding, had no reasonable cause to believe that his or her conduct was unlawful.

The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent will not, of itself, create a presumption that such person failed to satisfy the standard contained in this paragraph.

(D) A determination that the standard of paragraph (C) above has been satisfied must be made:

(1) by a majority vote of a quorum consisting of Directors who at the time of the vote are not named defendants or respondents in the proceeding; or

(2) if such quorum cannot be obtained, by a majority vote of a committee of the Board of Directors, designated to act in the matter by a majority vote of all Directors, consisting solely of two or more Directors who at the time of the vote are not named defendants or respondents in the proceeding; or

(3) by special legal counsel selected by the Board of Directors or a committee of the Board by vote as set forth in subparagraphs (1) or (2) above, or if such quorum cannot be obtained and such a committee cannot be established, by a majority vote of all Directors.

(E) Determination as to reasonableness of expenses must be made in the same manner as the determination that indemnification is permissible, except that if the determination that indemnification is permissible is made by special legal counsel, determination as to reasonableness of expenses must be made in the manner specified by subparagraph (D) (3) above for the selection of special legal counsel.

(F) The Association may reimburse or pay in advance any reasonable expenses (including court costs and attorneys' fees) which may become subject to indemnification under paragraphs (A) through (E) above, but only in accordance with the provisions as stated in paragraph (D) above, and only after the person to receive the payment (i) signs a written affirmation of his or her

good faith belief that he or she has met the standard of conduct necessary for indemnification under paragraph (C), and (ii) undertakes in writing to repay such advances if it is ultimately determined that such person is not entitled to indemnification by the Association. The written undertaking required by this paragraph must be an unlimited general obligation of the person but need not be secured. It may be accepted without reference to financial ability to make repayment.

(G) The indemnification provided by paragraphs (A) through (E) above will not be exclusive of any other rights to which a person may be entitled by law, bylaw, agreement, vote of Members or disinterested Directors, or otherwise.

(H) The indemnification and advance payment provided by paragraphs (A) through (F) above will continue as to a person who has ceased to hold a position named in paragraph (A) above and will inure to such person's heirs, executors and administrators.

(I) The Association may purchase and maintain insurance on behalf of any person who holds or has held any position named in paragraph (A) above against any liability incurred by such person in any such position, or arising out of such person's status as such, whether or not the Association would have power to indemnify such person against such liability under paragraphs (A) through (F) above.

(J) Indemnification payments and advance payments made under paragraphs (A) through (I) above are to be reported in writing to the Members of the Association at the next notice or waiver of notice of annual meeting, or within twelve months, whichever is sooner.

ARTICLE XIV

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) 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 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 such similar purposes.

ARTICLE XV

Amendment of these Articles shall require the assent of seventy-five percent (75%) of the entire membership.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Texas, I the undersigned,

constituting the Incorporator of this Association, have executed
these Articles of Incorporation this _____ day of _____,
1990.

DOUGLAS H. GILLILAND

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