

ARTICLES OF INCORPORATION
OF
THE VILLAGES OF INDIAN CREEK OWNERS ASSOCIATION

We, the undersigned natural persons of the age of eighteen (18) years or more, at least two (2) 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 ONE

NAME

The name of the corporation is THE VILLAGES OF INDIAN CREEK OWNERS ASSOCIATION.

ARTICLE TWO

NONPROFIT CORPORATION

The corporation is a nonprofit corporation.

ARTICLE THREE

DURATION

The period of its duration is perpetual.

ARTICLE FOUR

PURPOSES AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the Members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the Lots and Common Properties, within that certain tract of property described as:

THE VILLAGES OF INDIAN CREEK, PHASE I, a subdivision in Denton County, Texas, according to the plat thereof recorded in Cabinet E, Page 120, et seq. of the Map Records of Denton County, Texas and to promote the health, safety and welfare of the residents within the above-described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association and, subject to the terms and provisions of the Declaration, 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 the Declaration, 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 of 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 (2/3) 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 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;

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

(g) have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Act of the State of Texas by law may now or hereafter have or exercise;

(h) cause the exterior of Lots and dwellings to be maintained.

ARTICLE FIVE

MEMBERSHIP

Every Owner (including the transferee of such Owner who becomes an Owner by the acquisition of a fee or undivided fee interest in a Lot) shall, upon acquisition by original purchase or transfer of the fee or undivided fee interest in a Lot, whether by foreclosure, deed in lieu of foreclosure or otherwise, automatically be a Member of the Association and entitled to all rights of the Members as provided in the Declaration, including the rights with respect to the Common Properties, subject however, to the terms and provisions of the Declaration. The term "Member" is further defined to include and refer to the executors, personal representatives and administrators of any Member, and all of the persons, firms or corporations, acquiring or succeeding to the title of the Member by sale, grant, will, foreclosure, execution, or by any legal process, or by operation of law, or in any other legal manner.

ARTICLE SIX

VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A. Class A Members shall be all Members with the exception of Declarant. 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. The Class B Member(s) shall be the Declarant. The Class B Member(s) shall be entitled to three (3) votes for each Lot in which it holds the interest required for membership. However, at such times as the total number of Lots owned by the Class A Members equals or exceeds three (3) times the total number of Lots owned by the Class B Member(s), the Class B Member(s) shall, during the time such equality or excess continues, be entitled to only one (1) vote for every Lot owned by it. Control of the Association shall become vested in the Class A Members not later than the earlier of (i) 120 days after completion of transfer to such Class A Members of title to Lots representing seventy-five percent (75%) of the Lots in the Properties, or (ii) three (3) years following conveyance of the first Lot to a Class A Member.

ARTICLE SEVEN

INITIAL REGISTERED OFFICE AND AGENT

The street address of the initial registered office of the corporation is 16901 Dallas Parkway, Suite 110, Dallas, Texas, 75248 and the name of its initial registered agent at such address is JERRALD M. THOMAS, JR.

ARTICLE EIGHT

BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of three (3) directors, who need not be Members of the Association. The number of directors may be changed by amendment of the Bylaws of the Association. The names and addresses of the persons who are to act in the capacity of directors until the selection of their successors are:

Jerrlad M. Thomas, Jr. 16901 Dallas Parkway
Suite 110
Dallas, Texas 75248

Robert Green 16901 Dallas Parkway
Suite 110
Dallas, Texas 75248

Robert L. Taylor 1202 Richardson Drive
Suite 112
Richardson, Texas, 75080

ARTICLE NINE

DISSOLUTION

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 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 and which is qualified as an exempt organization under the Internal Revenue Code of 1954, or the corresponding provisions of any future United States Internal Revenue law.

ARTICLE TEN

AMENDMENTS

Amendment of these Articles shall require the assent of the Members entitled to cast two-thirds (2/3) of the votes of the Association; provided, that no amendment shall be made which would cause these Articles to be in conflict with the terms or provisions of the Declaration or which would change the status and purpose of the Association as a nonprofit corporation.

ARTICLE ELEVEN

INDEMNIFICATION OF DIRECTORS AND OTHERS

The members of the Board of Directors and officers of the Association shall not be personally liable to the Association, Owners or others for any mistake of judgment or for any acts of omissions made in good faith acting as such Board members or officers individually or collectively. Each member of the Board of Directors and each officer shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, or any settlement thereof, by reason of his being or having been a member of the Board of Directors or an officer of the Association, whether or not he is a member of the Board of Directors or an officer at the time such expenses are incurred, except in such cases wherein the member of the Board of Directors or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement, the indemnification shall apply only when the Board of Directors approves such settlement and reimbursement as being in the best interests of the Association.

ARTICLE TWELVE

DEFINITIONS

The following words, when used in these Articles of Incorporation, shall have the following meanings:

- (a) "Association" shall mean and refer to the corporation incorporated hereunder.
- (b) "Common Properties" shall mean and refer to the Common Properties as defined in the Declaration.
- © "Declarant" shall mean and refer to the Declaration as defined in the Declaration.
- (d) "Declaration" shall mean and refer to that certain Declaration of Covenants, Conditions and Restrictions applicable to the Properties and recorded or to be recorded in the Deed Records of Denton County, Texas, and as the same may be amended or supplemented from time to time as therein provided.
- (e) "Lot" shall mean and refer to a Lot as defined in the Declaration.
- (f) "Member" shall mean and refer to a Member as defined in the Declaration.
- (g) "Owner" shall mean and refer to an Owner as defined in the Declaration.

IN WITNESS WHEREOF, the undersigned have executed these Articles of Incorporation on this 3rd day of October 1985.

JERRALD M. THOMAS, JR

ROBERT GREEN

ROBERT L. TAYLOR

STATE OF TEXAS

COUNTY OF DALLAS

I, Rochelle L. Lawless, a Notary Public in and for said County and State, do hereby certify that on the 3rd day of October, 1985, personally appeared before me JERRALD M. THOMAS, ROBERT GREEN and ROBERT L. TAYLOR, who being by me duly sworn, declared that they were 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 this day and year above written.

Notary Public in and for the
the State of Texas

My Commission Expires
05.06.89