

JUL 10 1997

Corporations Section

ARTICLES OF INCORPORATION  
OF

NORTHLAKE HILLS PROPERTYOWNERS ASSOCIATION, INC.  
A TEXAS NON-PROFIT CORPORATION

ARTICLE ONE

The name of the corporation is NorthLake Hills Homeowners Association, Inc. (the "*Association*").

ARTICLE TWO

The Association is a non-profit corporation.

ARTICLE THREE

The period of the Association's duration is perpetual.

ARTICLE FOUR

The purposes for which the corporation is organized are:

1. To be and act as the association of persons owning property in the NorthLake Hills Subdivision located in Travis County, Texas, to have input for recreation and safety and to be the entity through which property owners in the NorthLake Hills Subdivision enforce deed restrictions ("*Deed Restrictions*") and covenants, conditions and restrictions affecting the NorthLake Hills Subdivision ("*CC&Rs*") (collectively, the Deed Restrictions and CC&Rs may be referred to as the "*Declarations*");

2. To exercise and enjoy all powers, rights, and benefits of the Association under and pursuant to the Declarations and to

satisfy, perform and observe all covenants, duties and obligations of the Association under the Declarations, which may include regulating and monitoring development of property in the NorthLake Hills Subdivision and construction of improvements thereon, levying of assessments on the owners/members of the Association, if approved by the members of the Association as required in the Bylaws of the Association, and generally enforcing the Declarations and any rules or regulations adopted by the Association in connection therewith;

3. To operate, administer and govern the affairs and funds of the Association, if any, in connection with the powers, rights, benefits, duties, covenants and obligations of the Association under the Declaration;

4. To borrow or raise money for any of the purposes of the Association and from time to time, without limit to amount, to draw, make, accept, endorse and issue promissory notes, drafts, bills of exchange, warrants, bonds, debentures and other negotiable and non-negotiable instruments and evidences of indebtedness, and to secure the payment of any thereof and of the interest thereon by mortgage, pledge, security agreement and financing statement, or conveyance or assignment in trust of the whole or any part of the property of the Association, whether at the time owned or thereafter acquired, and to sell, pledge or otherwise dispose of

such bonds or other obligations of the Association for its corporate purposes; and

5. To carry on any other business in connection with the foregoing and to have and exercise all the powers conferred by the laws of the State of Texas upon corporations formed under the Texas Non-Profit Corporation Act, as may be amended from time to time (the "*Act*"), and to do any and all things set forth herein to the same extent as natural persons might and could do. Nothing in these stated purposes shall limit any general power conferred upon corporations by the Act.

#### ARTICLE FIVE

The street address of the initial registered office of the Association is 18700 FM 1431; Jonestown, Texas 78645, and the name of its initial registered agent at such address is James Quinn.

#### ARTICLE SIX

Affairs of the Association shall be managed by a Board of Directors of not less than three (3) directors. The number of directors and the terms of office of the directors shall be fixed by the Bylaws of the Association. The number of directors constituting the initial Board of Directors is three (3), and the names and addresses of the persons who are to serve as directors until the first annual meeting of the members or until their successors are elected and qualified are:

	<u>Name</u>	<u>Address</u>
1.	James Quinn	18700 FM 1431 Jonestown, Texas 78645
2.	Beth Woskow	18700 FM 1431 Jonestown, Texas 78645
3.	Joe Woskow	18700 FM 1431 Jonestown, Texas 78645

The members of the Board of Directors shall serve without compensation, and no member of the Board of Directors shall receive any pecuniary benefit from the Association, except reimbursement for actual expense incurred in connection with the business of the Association.

#### ARTICLE SEVEN

The name and street address of the incorporator is:

<u>Name</u>	<u>Address</u>
Beth Woskow	18700 FM 1431 Jonestown, Texas 78645

#### ARTICLE EIGHT

The Association shall be a membership corporation. Designation of classes of membership, the manner of election or appointment of members, and the qualifications and rights of the members of each class of the Association shall be set forth in the

Bylaws of the Association and the Declarations. The right to cumulate votes in the election of directors and/or by any member is hereby expressly denied.

#### ARTICLE NINE

The initial Bylaws of the Association shall be adopted by the board of directors, and the power to alter, amend or repeal the Bylaws or adopt new Bylaws shall thereafter be vested in the directors of the Association as may be provided in the Bylaws.

#### ARTICLE TEN

Anything in these Articles of Incorporation to the contrary notwithstanding, all or any part of these Articles of Incorporation may be amended from time to time only upon the affirmative vote of a majority of the directors present at any meeting at which there is a quorum.

#### ARTICLE ELEVEN

1. The Association is not organized for pecuniary profit, nor shall it have any power to issue certificates of stock or declare dividends. The balance, if any, of all money and other assets received by the Association from its operations, after the payment in full of all debts and obligations of the Association of whatever kind and nature, shall be used and distributed exclusively



for carrying out only the purposes of the Association as particularly set forth in Article Four.

2. No part of the net earnings of the Association shall inure to the benefit of or be distributable to its directors, officers, or other private persons, except that the Association 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 Four.

3. The Association shall not operate for the primary purpose of carrying on a trade or business for profit.

4. In the event of the dissolution of the Association, or in the event it shall cease to carry out the objects and purposes herein stated, all the business, property and assets of the Association shall go and be distributed, after payment of just debts, to the then members of the Association, in equal shares.

#### ARTICLE TWELVE

No director of the Association shall be liable to the Association, its members, of any class, or its other directors for monetary damages (other than taxes, penalties and expenses of correction) for an act or omission in the director's capacity as a director, except for an act or omission which is:

1. a breach of the director's duty of loyalty to the Association or its directors;

2. an act or omission not in good faith that constitutes a breach of duty of the director to the Association or an act or omission that involves intentional misconduct or a knowing violation of the law;
3. a transaction from which the director receives 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 by an applicable statute.

#### ARTICLE THIRTEEN

Any action required by the Act to be taken at a meeting of the directors or members of the Association or any action that may be taken at a meeting of the members or directors or of any committee may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by a sufficient number of members, directors or committee members as would be necessary to take that action at a meeting at which all of the members, directors or members of the committee were present and voting.

#### ARTICLE FOURTEEN

Subject to the provisions required or permitted by the Act for notice of meetings, members or directors or members of any committee may participate in and hold a meeting of such members,

board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to Article 1396-9.11 of the Act shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

EXECUTED as of the 24 day of June, 1997.

Incorporator

Beth Woskow,  
Beth Woskow

STATE OF TEXAS

COUNTY OF WILLIAMSON

This instrument was acknowledged before me on June 27, 1997, by Beth Woskow, attorney in fact for Joseph S. Woskow, President of Sandy Creek Investors, Ltd. on behalf of said limited partnership.