

Articles of Incorporation

FILED
In the Office of the
Secretary of State of Texas
FEB 01 2000
Corporations Section

**ARTICLES OF INCORPORATION
OF**

KINGS RIDGE HOMEOWNERS ASSOCIATION, INC.

The undersigned natural person of the age of eighteen (18) years or more, acting as incorporator of a corporation under the TEXAS NON-PROFIT CORPORATION ACT, Article 1396 of the TEXAS REVISED CIVIL STATUTES, as amended (the "Act"), does hereby adopt the following Articles of Incorporation for the Corporation that is named below:

ARTICLE I
NAME

The name of the Corporation is Kings Ridge Homeowners Association, Inc.

ARTICLE II
NON-PROFIT STATUS

The Corporation is a non-profit corporation.

ARTICLE III
DURATION

The period of duration of the Corporation is perpetual.

ARTICLE IV
PURPOSES

The purposes for which the Corporation is organized are:

- (a) To promote the safety, welfare and enjoyment of the residents of and the owners of the property within the housing development known as "Kings Ridge" (the "Property"), located in Denton County, Texas, in accordance with the Declaration of Covenants, Conditions and Restrictions of Kings Ridge, a Development in the City of Plano, Denton County, Texas, as amended and restated from time to time, (the "Declaration"), to be

executed by Prosper Land Company, Ltd. (the "Declarant") and to be recorded in the Deed Records of Denton County, Texas.

(b) To exercise and perform any and all rights, powers, privileges, duties and remedies granted to or imposed upon the Corporation as set forth in the Declaration, by any easement granted to the Corporation, or by any other instrument granted to or for the benefit of the Corporation.

(c) To compute, assess, collect and enforce the payment of all charges to which the property within the Property is subjected or may be subjected under or by virtue of any restriction and covenants applicable to the Property.

(d) To acquire by gift, purchase, exchange, 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 Corporation subject to the limitations set forth in the Declaration.

(e) To approve or disapprove plans, specifications and elevations for any structural alterations or additions, or other alterations or additions affecting exterior appearance, in or to any building, fence, structure or other improvement within the Property, and to establish design and construction criteria and requirements in connection therewith.

(f) To do or to cause to be done all things and acts permitted by the laws of the State of Texas incidental to, necessary, proper or advisable to carry out the purposes for which non-profit corporations may be formed and to have all powers enumerated in the Act.

ARTICLE V **MEMBERS**

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot (as used herein the word "Lot" shall be deemed to mean a Lot as defined in the Declaration) shall be a

member of the Corporation, provided that any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a member.

ARTICLE VI VOTING RIGHTS

The Corporation shall have two classes of voting membership.

(a) Class A members shall be all of the members of the Corporation except the Class B members. Each Class A member 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 an interest or interests in any Lot, all such persons shall be members; provided, however, that the vote for such Lot shall be exercised as they shall determine among themselves, and in no event shall more than one vote be cast with respect to any such Lot.

(b) The Class B members shall be Declarant and any builder who has purchased a Lot for current or future construction of improvements or a *bona fide* owner who is engaged in the process of constructing a residential dwelling on any Lot for sale to consumers. Declarant shall be entitled to ten (10) votes for each Lot owned by all Class B Members. Class B Members other than Declarant 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, upon the earlier to occur of the following: (i) when the total number of votes outstanding in the Class A membership is eight (8) times greater than the total number of votes outstanding in the Class B membership; or (ii) 60 days after the date as of which 75% of the Lots in the Property have been conveyed by the Declarant and have been improved with dwellings for which a certificate of occupancy has been issued; or (iii) February 1, 2020. Any builder who has purchased a Lot for current or future construction of improvements for sale to a

consumer, or any other party in the process of constructing a residential building on any Lot for sale to consumers shall be entitled to one (1) vote for each Lot owned.

The Board of Directors of the Corporation shall have the right and power from time to time to suspend the enjoyment rights, including the right to vote, of any member for any period during which any assessment remains unpaid, and for any period not to exceed thirty (30) days for any other infraction of its published rules and regulations, including, but not limited to the Declaration. Each member shall be liable for the payment of assessments as provided for in the Declaration.

ARTICLE VII **LIABILITY OF DIRECTORS**

To the fullest extent permitted by the laws of the State of Texas, as such laws may now or hereafter exist, directors of the Corporation shall not be liable to the Corporation or its shareholders for monetary damages for acts or omissions occurring in their capacity as directors. Any repeal or amendment of this Article shall operate prospectively only and shall not adversely affect any limitation of liability which then exists as a result hereof.

ARTICLE VI **INDEMNIFICATION**

The Corporation shall indemnify and advance expenses to each person who is or was a director of the Corporation, and each nominee or designee not a director of the Corporation, in every capacity in which such person serves for which the Corporation may or is required to indemnify or advance expenses to such person, for amounts incurred by such person in connection with an action, suit, or proceeding to which such person was, is or may be a party by reason of such person's position with the Corporation or service on behalf of the Corporation, when and to the fullest extent permitted or required by the Act and any other applicable law.

Any repeal or modification of this paragraph by the members of the Corporation shall be prospective only and shall not adversely affect the rights existing at the time of such repeal or modification of any of the aforementioned persons.

ARTICLE VIII
ACTION BY CONSENT OF MEMBERS

Any action required by the Act to be taken at any annual or special meeting of members, or any action which may be taken at such a meeting, may be taken without a meeting and without prior notice or a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the members having not less than the minimum number of votes that would be necessary to take such action at a meeting at which all of the members entitled to vote on the action were present and voted.

ARTICLE IX
REGISTERED AGENT

The address of its initial registered office is 10440 North Central Expressway, Suite 1400, LB 400, Dallas, Texas 75231, and the name of its initial registered agent at such address is G. David Ringer.

ARTICLE X
INITIAL BOARD OF DIRECTORS

The number of directors shall be fixed by the bylaws of the Corporation, and until changed in accordance with the manner prescribed by the bylaws shall be three (3). The name and addresses of the persons who are to serve as the initial directors until the first annual meeting of shareholders, or until their successors be elected and qualified, are as follows:

<u>Name</u>	<u>Address</u>
H. K. Huie	14275 Midway Road Suite 100 Addison, Texas 75001

David A. Whitsett

14275 Midway Road
Suite 100
Addison, Texas 75001

Patrick H. Allison

14275 Midway Road
Suite 100
Addison, Texas 75001

ARTICLE XI
INCORPORATOR

The name and address of the incorporator is as follows:

Name

Address

G. David Ringer

10440 North Central Expressway
Suite 1400, LB 400
Dallas, Texas 75231

IN WITNESS WHEREOF, I have hereunto set my hand this 31st day of January, 2000.


G. David Ringer, Incorporator

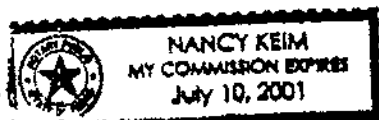
STATE OF TEXAS §

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COUNTY OF DALLAS §

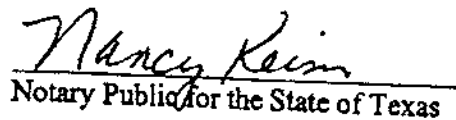
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I, Nancy Keim, a Notary Public, do hereby certify that on this 31 day of January, 2000, personally appeared before me G. David Ringer., who being by me first duly sworn, declared that he is the person who signed the foregoing document as incorporator and that the statements therein contained are true.



My Commission Expires:

7-10-2001


Notary Public for the State of Texas

Printed Name:

Nancy Keim