

MAR 06 1989

Clerk I-B
Corporations Section

ARTICLES OF INCORPORATION

OF

THE DOMINION COTTAGE ESTATES OWNERS' ASSOCIATION, INC.

Pursuant to the provisions of Article 3.01 of the Texas Non-Profit Corporation Act, TEX. REV. CIV. STAT. ANN. Art. 1396-1.01, et seq. (Vernon 1980 and Supp. 1988), the undersigned Incorporator adopts the following Articles of Incorporation:

ARTICLE I

The name of the corporation is The Dominion Cottage Estates Owners' Association, Inc. (the "Corporation").

ARTICLE II

The period of duration of the Corporation is perpetual.

ARTICLE III

The Corporation is a non-profit corporation.

ARTICLE IV

The street address of the initial registered office of the Corporation is 4807 Spicewood Springs Road, Suite 5200, Austin, Texas 78759, and the name of the initial registered agent for the Corporation at such address is Jerry Courson.

ARTICLE V

The purpose for which the Corporation is organized is to govern the property subject to the Declaration of Protective Covenants for The Dominion Cottage Estates, recorded in Volume 3656, Page 1033, Official Public Records of Real Property of Bexar County, Texas (the "Original Declaration") as corrected by Correction to Declaration of Protective Covenants for The Dominion Cottage Estates, recorded in Volume 4397, Page 1416, Official Public Records of Real Property of Bexar County, Texas (the "First Amendment"), as amended by Correction and Amendment to Declaration of Protective Covenants for The Dominion Cottage Estates, recorded in Volume 4435, Page 776, Real Property Records of Bexar County, Texas (the "Second Amendment") as corrected and amended by the Correction and Amendment to Declaration of Protective Covenants for The

Dominion Cottage Estates recorded under County Clerk's File No. 1684609 of the Real Property Records of Bexar County, Texas (the "Third Amendment"), and as it may hereafter be amended. The Original Declaration as amended by the First Amendment, the Second Amendment and the Third Amendment, and as the same may hereafter be amended from time to time, is referred to herein as the "Declaration." The property subject to the Declaration is that certain property currently subject to the Declaration, which property is described in the following subdivision plats:

1. Dominion Cottage Estates Subdivision, Unit 1, P.U.D., recorded in Volume 9512, Page 82, Deed and Plat Records of Bexar County, Texas;
2. Dominion Cottage Estates Subdivision, Unit 2, P.U.D., recorded in Volume 9512, Page 85, Deed and Plat Records of Bexar County, Texas;

and any other property annexed under the Declaration in the future pursuant to the terms of the Declaration. All property now or hereafter subject to the Declaration is referred to herein as the "Property." The term "Declarant" shall mean and refer to National Credit Union Share Insurance Fund, an agency of the United States Government, and any other party to whom the agency assigns in writing any of its rights under the Declaration. Unless otherwise defined herein, all capitalized terms utilized in these Articles of Incorporation shall have the meanings ascribed to them in the Declaration.

More particularly, the Corporation is formed for the purpose of promoting the orderly use of the Property, preserving and maintaining certain portions of the Property as provided in the Declaration with the objective of enhancing the land value and establishing a desirable environment for owners and occupants of the Property and improvements and promoting the health, safety and welfare of the owners and occupants of the Property and for these purposes to:

- (a) exercise all of the powers and privileges and perform all of the duties and obligations of the Corporation as set forth in the Declaration;
- (b) enter into contracts and such other agreements necessary to perform or have performed such services as may be required to accomplish the stated purposes of the Corporation;

(c) fix, levy, collect and enforce payment by any lawful means, of all charges or assessments pursuant to the terms of the Declaration and to pay all expenses in connection therewith and all office and other expenses incidental to the conduct of the business of the Corporation, including all licenses, taxes or government charges levied or imposed against the property of the Corporation;

(d) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, or convey, sell, lease, transfer, dedicate or otherwise dispose of real or personal property in connection with the affairs of the Corporation;

(e) borrow money and with the assent of the membership vote, mortgage, pledge, deed in trust or hypothecate any or all of the Corporation's real or personal property as security for money borrowed or debts incurred;

(f) dedicate, sell or transfer all or any part of the Common Properties or Common Area to any public agency, authority or utility for any service to the Property or any part thereof;

(g) participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional property in accordance with the Declaration; and

(h) 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.

Notwithstanding any of the above statements of purposes and powers, this Corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the specific purposes of this Corporation.

ARTICLE VI

The Members of the Corporation shall consist of the Declarant and each Owner of a Lot. To further clarify the definition of Member and Owner as used herein, Member and Owner shall each include the person or persons who, individually or

collectively, of record, own full legal title to a Lot, but shall not include those having an interest in a Lot merely as security for the performance of an obligation. Any person buying a Lot under a contract for deed or contract for sale or otherwise having beneficial title to a Lot shall not be considered an Owner (or Member) until legal title is transferred to such person of record. Person means a natural individual, corporation, partnership, trustee or other legal entity capable of holding title to real property. Each Owner shall automatically become a Member of this Corporation upon becoming an Owner and be subject to its Bylaws. Such membership shall terminate without any formal Corporation action whenever such person ceases to be an Owner of a Lot, but such termination shall not relieve or release any such former Member from any liability or obligation incurred under or in any way connected with this Corporation during the period of such ownership and membership in this Corporation, or impair any rights or remedies which the other Members have, either through the Board or directly against such former Member arising out of or in any way connected with the ownership of a Lot and membership in this Corporation and the covenants and obligations incident thereof.

ARTICLE VII

Initially the Corporation shall have one class of Members. The Members shall consist of the Declarant and the Owners of Lots. However, prior to the earliest of (1) January 1, 1999, (2) the date when 90% of the Lots in the Property are conveyed Owners other than Declarant, or (3) the date when in Declarant's sole opinion the Corporation is fully viable, self-supporting and operational and the Declarant chooses to relinquish its control of the Corporation, the Declarant shall retain the absolute right to control the Corporation and elect its Board of Directors. Thereafter, and except as limited in the Corporation's Bylaws, each Member (including Declarant) shall be entitled to one vote per Lot owned on each matter submitted to a vote at a meeting of the Members. Declarant shall continue as a Member so long as it is an Owner.

ARTICLE VIII

The initial Board of Directors shall consist of three (3) Directors. The names and addresses of the persons who are selected to act in the capacity of Director until the election of their successors are:

<u>Name</u>	<u>Address</u>
Jerry Courson	4807 Spicewood Springs Rd. Suite 5200 Austin, Texas 78759
William Callahan	4807 Spicewood Springs Rd. Suite 5200 Austin, Texas 78759
Richard Thum	1 Ashley Green San Antonio, Texas 78257

ARTICLE IX

The Corporation shall not incur and have outstanding at any one time indebtedness in excess of \$100,000.00, unless such additional indebtedness is approved by the vote of at least two-thirds of the votes entitled to be cast by Members. No mortgage shall be given by the Corporation on the Common Properties or Common Area unless approved by the vote of at least two-thirds of the votes entitled to be cast by Members.

ARTICLE X

The Corporation shall indemnify its directors and officers from and against any and all liabilities, costs and expenses incurred by them in such capacity to the fullest extent permitted by the Texas Non-Profit Corporation Act, as presently in effect and as may be hereafter amended, and shall have the power to purchase and maintain liability insurance coverage for those persons as, and to the fullest extent, permitted by the Act, as presently in effect and as may be hereafter amended. The rights of indemnification and reimbursement provided for in this Article X shall not be deemed exclusive of any other right to which any such director, officer, employee or agent may be entitled under the Bylaws, the Declaration, agreements or votes of Members, or as a matter of law or otherwise.

ARTICLE XI

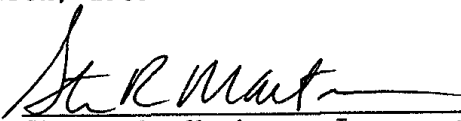
A Director of the Corporation shall not be personally liable to the Corporation or its Members for monetary damages for an act or omission in the Director's capacity as a director, except for liability for (a) a breach of the Director's duty of loyalty to the Corporation or its Members,

(b) an act or omission not in good faith or that involves intentional misconduct or a knowing violation of the law, (c) a transaction from which the Director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the Director's office, or (d) an act or omission for which the liability for the Director is expressly provided for by statute.

ARTICLE XII

The undersigned Incorporator, Steven R. Martens, is a natural person of the age of 18 or more, whose address is 100 Congress Avenue, Suite 1100, Austin, Texas 78701.

EXECUTED this 6th day of March, 1989.



Steven R. Martens, Incorporator