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In the Office of the
Secretary of State of Texas

SEP 06 1994

Corporations Section

ARTICLES OF INCORPORATION

OF

CHAMPIONS ESTATES RESIDENTIAL OWNERS ASSOCIATION, INC.,

A TEXAS NON-PROFIT CORPORATION

ARTICLE ONE

The name of the corporation is Champions Estates Residential Owners Association, Inc.

ARTICLE TWO

The corporation is a non-profit corporation.

ARTICLE THREE

The period of the corporation's duration is perpetual.

ARTICLE FOUR

The purposes for which the corporation is organized are:

1. To be and act as the "Association," as the term is defined in that certain Declaration of Covenants, Conditions and Restrictions for Estates at Champions Run, executed by Champions Estates, Ltd., a Texas limited partnership, on the 19th day of November, 1992 and filed of record at Page 888 of Volume 5504, and at Page 1833 of Volume 5571, of the Real Property Records of Bexar County, Texas, as may be amended from time to time (the "Declaration"), for the real estate development described in the Declaration (the "Property"), located in Bexar County, Texas;

2. To exercise and enjoy all powers, rights, and benefits of the Association under and pursuant to the Declaration, and to satisfy, perform and observe all covenants, duties and obligations of the Association under the Declaration, which include levying assessments on the members, maintaining the landscaping and improvements in certain rights-of-way and signs on the Property and generally enforcing the Declaration;

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3. To provide for and do all activities necessary, useful and expedient to exercise and enjoy the powers, rights and benefits of the Association under the Declaration and to satisfy, perform and observe the covenants, duties and obligations of the Association under the Declaration;

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

5. To borrow or raise money for any of the purposes of the corporation 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 corporation, whether at the time owned or thereafter acquired, and to sell, pledge or otherwise dispose of such bonds or other obligations of the corporation for its corporate purposes, and

6. 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 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 Texas Non-Profit Corporation Act.

ARTICLE FIVE

The street address of the initial registered office of the corporation is 3321 Bee Cave Road, Suite 300, Austin, Texas 78746, and the name of its initial registered agent at such address is H. M. Pike, Jr.

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ARTICLE SIX

Affairs of the corporation 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 corporation. 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>
Stephen S. Baumgardner	3321 Bee Cave Road, Suite 300 Austin, Texas 78746
Linda Cheney	3321 Bee Cave Road, Suite 300 Austin, Texas 78746
H. M. Pike, Jr.	3321 Bee Cave Road, Suite 300 Austin, Texas 78746

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 corporation, except reimbursement for actual expense incurred in connection with the business of the corporation.

ARTICLE SEVEN

The name and street address of the incorporator is:

<u>Name</u>	<u>Address</u>
Marc T. Shivers	900 Franklin Plaza 111 Congress Avenue Austin, Texas 78701

ARTICLE EIGHT

The corporation 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 corporation shall be set forth in the Bylaws of the

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corporation. 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 corporation 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 corporation 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 corporation 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 corporation from its operations, after the payment in full of all debts and obligations of the corporation of whatever kind and nature, shall be used and distributed exclusively for carrying out only the purposes of the corporation as particularly set forth in Article Four.

2. No part of the net earnings of the corporation shall inure to the benefit of or be distributable to its directors, officers, or other private persons, except that the corporation 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 corporation 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 corporation, or in the event it shall cease to carry out the objects and purposes herein stated, all the business, property and

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assets of the corporation shall go and be distributed, after payment of just debts, to the then members of the corporation, in equal shares.

ARTICLE TWELVE

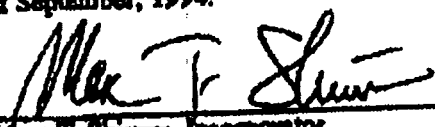
No director of the corporation shall be liable to the corporation or its other directors for monetary damages (other than taxes, penalties and expenses of correction) for an act or omission in the director's capacity as a director, except for an act or omission which is

1. a breach of the director's duty of loyalty to the corporation or its directors;
2. an act or omission not in good faith that constitutes a breach of duty of the director to the corporation 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 Texas Non-Profit Corporation Act to be taken at a meeting of the directors or members of the corporation 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.

EXECUTED on this 6th day of September, 1994.



Marc T. Shivers, Incorporator

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