

ARTICLES OF INCORPORATION
OF
FAIR OAKS RANCH HOMEOWNERS ASSOCIATION, INC.
~~A NONPROFIT CORPORATION~~

FILED
In the Office of the
Secretary of State of Texas

SEP 5 1975

Bill Kimbrough
Director, Corporation Division

We, the undersigned natural persons of legal age, two of whom are citizens of the State of Texas, acting as incorporators of a corporation under the Texas Nonprofit Corporation Act do hereby adopt the following articles of incorporation for such corporation:

ARTICLE I

The name of the corporation (hereinafter called the Association) is Fair Oaks Ranch Homeowners Association, Inc.

ARTICLE II

The Association is a nonprofit corporation.

ARTICLE III

The period of its duration is perpetual.

ARTICLE IV

The specific primary purposes for which the association is formed are to provide various services and facilities for maintenance and preservation of the residences, lots and common area within certain subdivided tracts of real property described as follows:

(1) 482.897 acres in Bexar County described in Deed recorded in Volume 7631, Pages 127-130, of the Deed Records of Bexar County, Texas;

(2) 796.298 acres in Kendall and Comal Counties as described in Deed recorded in Volume 119, Pages 527-531, of the Deed Records of Kendall County, Texas, and Volume 230, Pages 589-593, of the Deed Records of Comal County, Texas,

and such other property as may be brought under its jurisdiction from time to time,

and to promote the health, safety, and welfare of the residents within the above described subdivisions and such additions thereto as may hereafter be brought within the jurisdiction of the Association for such purpose.

In furtherance of such purposes, the Association shall have power to:

(a) Perform all of the duties and obligations of the Association as set forth in the bylaws thereof;

(b) Affix, levy and collect all charges and assessments pursuant to the terms described in the bylaws hereof, and enforce payment thereof by any lawful means; and 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 on the property of the Association;

(c) Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate to public use or otherwise dispose of real and personal property in connection with the affairs of the Association;

(d) Borrow money and, subject to the consent by vote or written instrument of two-thirds of each class of members, mortgage, pledge, convey by deed of 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 areas to any municipality, public agency, authority or utility for such purposes and subject to such conditions as may be agreed upon by the members. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds 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 areas, provided that any merger, consolidation or annexation shall comply with the requirements of the applicable terms of the Bylaws of the Association.

(g) Have and exercise any and all powers, rights and privileges that a corporation organized under the Texas Nonprofit Corporation Act by law may now or hereafter have or exercise.

The Association is organized and shall be operated exclusively for the aforementioned purposes. The activities of the Association shall be financed by assessments on members as provided in the by-laws, and no part of any net earnings shall inure to the benefit of any member.

ARTICLE V

The street address of the initial registered office of the Association is 715 Alamo National Building, San Antonio, Texas, and the name of its initial registered agent at such address is Ralph E. Fair, Jr.

ARTICLE VI

Every person or entity who is a record owner of a title or undivided interest in title to any lot which is subject to assessments by the Association, including contract purchasers, but excluding persons holding title merely as security for performance of an obligation, shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of a lot which is subject to assessment by the Association.

ARTICLE VII

The Association shall have two classes of members as follows:

CLASS A - Class A members shall be:

(1) Fairco, Inc., the developer of said subdivisions, its successors and assigns, which shall be entitled to one vote for each lot owned by it in any subdivision under the jurisdiction of the Association; and

(2) All other owners of any lot in any such subdivision who shall own, or shall have completed construction of the foundation of, a residence on such lot, and who shall be entitled to one vote for each such lot. When more than one person owns an interest in any lot,

all such persons shall be members. The vote for such lot shall be exercised as such members may determine among themselves, but in no event shall more than one vote be cast with respect to any lot owned by Class A members.

CLASS B - Class B members shall be those lot owners in any such subdivision who have not completed construction of the residence foundations on their respective lots. Class B members shall have no voting rights except as otherwise provided in these Articles, but shall obtain voting rights upon classification as Class A members.

ARTICLE VIII

The number of directors constituting the initial board of directors of the Association is three (3), and the names and addresses of the persons who are to serve as the initial directors are:

Ralph E. Fair, Jr.	715 Alamo National Building San Antonio, Texas 78205
W. Y. Fair	715 Alamo National Building San Antonio, Texas 78205
Robert Lee Bobbitt, Jr.	1600 Frost Bank Tower San Antonio, Texas 78205

ARTICLE IX

On dissolution the assets of the Association shall be distributed to an appropriate public agency to be used for purposes similar to those for which the Association was created. In the event such distribution is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization organized and operated for such similar purposes.

ARTICLE X

The name and street address of each incorporator is:

Robert Lee Bobbitt, Jr.	1600 Frost Bank Tower San Antonio, Texas 78205
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Richard F. Halter

1600 Frost Bank Tower
San Antonio, Texas 78205

Patrick A. Cullen

1600 Frost Bank Tower
San Antonio, Texas 78205

EXECUTED at San Antonio, Texas, on September 3, 1975.

[Signature]
Incorporator

Richard F. Halter
Incorporator

Patrick A. Cullen
Incorporator

STATE OF TEXAS §

COUNTY OF BEXAR §

I *Cynthia S. Edison*, a Notary Public, do hereby certify that on September 3, 1975, personally appeared before me Robert Lee Bobbitt, Jr., Richard F. Halter and Patrick A. Cullen, who each being by me first duly sworn severally declared that they are 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 the day and year above written.

Cynthia S. Edison
Notary Public in and for Bexar
County, Texas
CYNTHIA S. EDISON
Notary Public, Bexar County, Texas