

COPY
ARTICLES OF INCORPORATION

OF

THE OAKS AT STONEY CREEK HOMEOWNERS ASSOCIATION, INC.

FILED
in the Office of the
Secretary of State of Texas

SEP 22 1997

Corporations Section

The undersigned, a natural person of the age of eighteen years or more, acting as incorporator of a corporation under the Texas Non-Profit Corporation Act (the "Act"), hereby adopts the following Articles of Incorporation for such corporation:

ARTICLE ONE

The name of the corporation is THE OAKS AT STONEY CREEK HOMEOWNERS ASSOCIATION, INC.

ARTICLE TWO

The corporation is a non-profit corporation.

ARTICLE THREE

The period of duration of the corporation is perpetual.

ARTICLE FOUR

The purposes for which the corporation is organized are:

- (1) to perform the functions of the Association as described in and pursuant to that certain Declaration of Covenants, Conditions and Restrictions for The Oaks at Stoney Creek, City of Garland, Dallas and Collin Counties, Texas, dated May 20, 1995, filed for record on June 2, 1995, under Document No. 95-0037089 in the Real Property Records of Collin County, Texas, and under Document No. 9510702528 in the Real Property Records of Dallas County, Texas (the "Declaration");
- (2) to acquire, contract, manage, maintain and care for the property consisting of the Common Properties;
- (3) to enter into and perform any contract and to exercise all powers which may be necessary or convenient to the operation, management, maintenance, and administration of the affairs of the Properties described in the Declaration in accordance with the Declaration;
- (4) to promote the health, safety and welfare of the residents, tenants and occupants within the Properties;

(5) to exercise the powers and privileges and to perform all of the duties and obligations imposed on the corporation in accordance with the Declaration, as such Declaration may hereafter be amended, including without limitation, to fix, levy, collect, and enforce payment of assessments for such purposes, as set forth in the Declaration; to pay all expenses in connection therewith and all expenditures incident to the conduct of the business and administration of the property of the corporation and all licenses, taxes and other charges as are levied or assessed against the corporation and the Common Properties; and

(6) to buy, sell and deal in real property, personal property, and services, to have and to exercise all powers, rights, and privileges which a corporation organized under the Act may by law now or hereafter exercise.

ARTICLE FIVE

The capitalized terms used herein, if not defined herein, shall have the meaning set forth in the Declaration.

Every person and entity who is a record owner of a fee or undivided fee interest in any Lot, and only such persons and entities, shall be Members of the corporation. Membership in this corporation shall be appurtenant to and may not be separated from ownership of any Lot. Ownership of such Lot shall be the sole qualification for membership in the corporation. The corporation may (but shall not be required to) issue certificates evidencing membership herein.

Voting rights of the Members are explained and described in the Bylaws of the corporation and in the Declaration. Cumulative voting in the election of Directors or in other exercises of the right to vote is prohibited.

ARTICLE SIX

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 of the corporation except to the extent a director is found liable 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 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, (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 of a director is expressly provided by an applicable statute.

If the laws of Texas are hereafter amended to authorize further elimination or limitation of the personal liability of directors, then the liability of a director of the corporation, in addition to the limitation on the personal liability provided herein, shall be limited to the fullest extent permitted by the laws of Texas as amended. Any repeal or modification of this ARTICLE SIX by the members of the corporation shall be prospective only and shall not adversely affect any limitation on the personal liability of a director in effect at the time of such repeal or modification.

ARTICLE SEVEN

The street address of the initial registered office of the corporation is 14860 Montfort, Suite 205, Dallas, Texas 75240, and the name of its initial registered agent at such address is Roque Saco-Vertiz.

ARTICLE EIGHT

The number of directors constituting the initial Board of Directors of the corporation is three (3). The number of directors may be changed by amendment of the Bylaws of the corporation. The names and addresses of the persons who are to serve as the initial directors are as follows:

<u>Name</u>	<u>Address</u>
John Zouzelka	14860 Montfort, Suite 205 Dallas, Texas 75240
George Gibson	14860 Montfort, Suite 205 Dallas, Texas 75240
Roque Saco-Vertiz	14860 Montfort, Suite 205 Dallas, Texas 75240

ARTICLE NINE

The name and street address of the incorporator are as follows:

<u>Name</u>	<u>Address</u>
Roque Saco-Vertiz	14860 Montfort, Suite 205 Dallas, Texas 75240

ARTICLE TEN

Amendment of these Articles of Incorporation shall require the assent of the membership as more specifically set forth in the Bylaws of the corporation and/or the Declaration.

Executed June 2, 1997.



Roque Saco-Vertiz, Incorporator

\$ 15.00

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97- 0102528

FIRST AMENDMENT TO
DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR THE OAKS OF STONEY CREEK

4051 3075

The Declaration of Covenants, Conditions, and Restrictions (the "Declaration") for THE OAKS OF STONEY CREEK, an addition to the City of Garland, Texas, (the "Addition") was executed by Arrowhead Estates, Ltd., a Texas limited partnership (the "Declarant") on May 30, 1995, and recorded as document number 95-0037089 in the Real Property Records of Collin County, Texas, and at Volume 95107, Pages 02499 - 02527 of the Real Property Records of Dallas County, Texas. Capitalized terms not otherwise defined herein have the same meaning as those capitalized terms in the Declaration.

Declarant owns 10 of the 65 lots in the Addition. Section 5.12 of the Declaration provides that "Until the conveyance by the Declarant of ninety percent (90%) of the total number of lots in the Addition to third parties unrelated to the Declarant," the Declarant may abolish or amend the Declaration without the consent of any other Lot owners. Pursuant thereto, the Declarant amends the Declaration as follows:

Section 9.3 (d) is amended to read as follows: "When the annual maintenance assessment is computed for lots, such annual maintenance assessment shall be payable to the Association by the Member as provided in Section 9.5 hereof."

Section 9.3 (e) is amended to read as follows: "Notwithstanding anything herein contained to the contrary, the first annual maintenance assessment chargeable against any lot for which a full assessment is payable shall not exceed \$500.00 per year."

The second subsection (a) of Section 9.6 beginning "Delinquency" is misnumbered, and the first three lines thereof should be below the line reading "Section 9.7 Non-Payment of Assessment." and become the first three lines of subsection 9.7 (a). Accordingly, the second subsection (a) of Section 9.6 is hereby deleted and Section 9.7 hereof amended and rearranged to read as follows:

"Section 9.7 Non-Payment of Assessment.

(a) Delinquency. Any Assessment, or installment thereof, which is not paid in full when due shall be delinquent on the day following the due date (herein, "delinquency date") as specified in the notice of such Assessment. The Association shall have the right to reject partial payment of an Assessment and demand full payment thereof. Acceptance of partial payment shall not be a waiver of the Owner's obligation to make full payment of the Assessment. If any Assessment or part thereof is not paid within ten (10) days after the delinquency date, the unpaid amount of such Assessment shall bear interest from and after the delinquency date until paid at a rate equal to the lesser of (i) eighteen percent (18%) per annum or (ii) the maximum lawful rate."

4051 3076

Section 9.7 (c) is amended by the addition of the following paragraphs at the end of such section:

"Each Owner hereby grants and conveys in trust to the person serving as president of the Association (as the person filling such office changes from time to time), as Trustee (the "Trustee"), the Lot owned by such Owner. The Association may appoint in writing a substitute or successor trustee succeeding to all rights and responsibilities of Trustee.

"In the event of default by such Owner in payment of the Assessment as provided herein, the Association may request Trustee to foreclose this lien and may purchase the Lot at any foreclosure sale by offering the highest bid and having the bid credited on the delinquent Assessments.

"If requested by the Association to foreclose this lien, Trustee shall, either personally or by agent give notice of the foreclosure sale as required by the Texas Property Code; sell and convey such Lot to the highest bidder for cash with a general warranty binding such Owner, subject to prior liens and to other exceptions to title and warranty; and from the proceeds of the sale, pay, in this order:

- a. expenses of foreclosure, including a commission to Trustee of up to 5% of the bid;
- b. to the Association, the full amount of the unpaid Assessments, interest, attorney's fees, and other charges due and unpaid;
- c. payment of prior liens on the Lot;
- d. any amounts required by law to be paid before payment to the Owner; and
- e. any balance to such Owner.

"If any Lot is sold pursuant hereto, its Owner shall immediately surrender possession to the purchaser. If such Owner fails to do so, such Owner shall become a tenant at sufferance of the purchaser, subject to an action for forcible detainer.

"Recitals in any Trustees's deed conveying the property will be presumed to be true.

"Proceeding under this power of sale, filing suit for foreclosure, or pursuing any other remedy will not constitute an election of remedies."

4051 3077

As amended hereby, the Declaration shall continue in full force and effect.

Executed October 29, 1997.

ARROWHEAD ESTATES, LTD.,
a Texas limited partnership

By: Arrowhead Development, Inc.
a Texas corporation, General Partner

By: _____
John Zouzeika, Vice-President

THE STATE OF TEXAS

COUNTY OF DALLAS

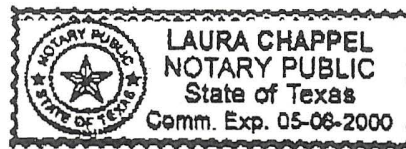
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This instrument was acknowledged before me on this 29th day of October, 1997, by John C. Zouzeika, Vice President of Arrowhead Development, Inc., a Texas Corporation, on behalf of said Corporation.

Laura Chappel
Notary Public, State of Texas

Laura Chappel
Printed Name

My Commission Expires: 5-6-2000



4051 3078

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE
DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND
UNENFORCEABLE UNDER FEDERAL LAW
(THE STATE OF TEXAS) (COUNTY OF COLLIN)
I hereby certify that this instrument was FILED in the File Number Sequence on the date
and the time stamped herein by me, and was duly RECORDED, in the Official Public
Records of Real Property of Collin County, Texas on

DEC 02 1997

Helene Starnes



Filed for Record in:
COLLIN COUNTY, TX
HONORABLE HELEN STARNES

On 1997/12/02

At 4:14P

Number: 97- 0102528
Type : RS 15.00

After recording return to:

Sondria Penland
TICOR Land Title Company
5005 LBJ Freeway, Suite 170
Dallas, TX 75244
972/788-2883 Telephone
972/458-2115 FAX

EARL BULLOCK
COUNTY CLERK
DALLAS COUNTY

97 DEC -2 PM 3:53

FILED

97234 02230

Vol.: _____

Page: _____

GF# T-?. Penland/Traci Fox

* of *

Received of TICOR Land Title Company, First Amendment to Declaration of Covenants, Conditions and Restrictions for the Oaks of Stoney Creek from Arrowhead Estates, Ltd. to Public, said First Amendment was duly filed of record this _____ day of _____, 199____.

County Clerk, Dallas County

By: _____ Deputy

After recording return to:

Sondria Penland
TICOR Land Title Company
5005 LBJ Freeway, Suite 170
Dallas, TX 75244
972/788-2883 Telephone
972/458-2115 FAX

Filed for Record in:
COLLIN COUNTY, TX
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County Clerk, Collin County

By: _____ Deputy