

**ARTICLES OF INCORPORATION
OF
THE BLUFFS AT TWO CREEKS HOMEOWNERS ASSOCIATION, INC.**

The undersigned, a natural person of the age of eighteen (18) years or more, acting as incorporator of a corporation under the Texas Nonprofit Corporation Act, does hereby adopt the following Articles of Incorporation for such Corporation:

ARTICLE I. NAME

The name of the Corporation is THE BLUFFS AT TWO CREEKS HOMEOWNERS ASSOCIATION, INC., hereinafter sometimes called the "Corporation" or the "Association."

ARTICLE II. NONPROFIT

The Corporation is a nonprofit corporation.

ARTICLE III. DURATION

The period of its duration is perpetual.

ARTICLE IV. PURPOSES AND POWERS

The purposes for which the Corporation is organized are to own, maintain, and administer all common areas and property of the Association in the development being marketed as *The Bluffs at Two Creeks*, in Bexar County, Texas, including, without limitation, the following:

(a) Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth or referred to in the Two Creeks - Unit 2 Declaration of Covenants, Conditions, Easements and Restrictions, recorded in Volume 11954, Page 1117, Real Property Records of Bexar County, Texas ("Declaration"), and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length.

(b) Fix, levy, collect, administer, disburse and enforce payment by any lawful means, of all charges or assessments pursuant to the Declaration; to 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 against the property of the Association.

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

(d) Borrow money, and with the assent of two-thirds (2/3) of the members of the Association, mortgage, pledge, deed in 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 property owned by the Association to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members.

(f) Participate in mergers, consolidations and/or reciprocal agreements with other nonprofit corporations organized for the same purposes or annex additional property and common area, as provided for in the Declaration.

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

ARTICLE V. MEMBERSHIP

Every person or entity who is a record Owner of a fee or undivided interest in any lot subject to the jurisdiction of and the liens and assessments of the Association (collectively, the "Lot Owners" and individually, a "Lot Owner") shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership is appurtenant to and may not be separated from ownership of any lot which is subject to assessment by the Association.

ARTICLE VI. VOTING RIGHTS

The Association shall have two (2) classes of voting membership:

Class A Members shall be every Lot Owner except the Class B Members. Class A Members 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 such interest or interests in any lot, all such persons shall be members, and the vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any such lot.

Class B Members shall be the Declarant and Builder Members (as such terms are defined in the Declaration). Class B Members shall be entitled to three (3) votes for each lot in which they hold the interest required for membership. The Class B membership shall cease and become converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (i) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership (including the future Class B members to be annexed to the jurisdiction of the Association); or
- (ii) On January 1, 2025.

From and after the happening of either of these events, whichever occurs earlier, the Class B members shall be deemed to be Class A members entitled to one (1) vote for each lot in which they hold the interest required for membership.

ARTICLE VII. BOARD OF DIRECTORS

The affairs of the Association shall be managed by a Board of Directors. The Board of Directors shall consist of not less than three (3) Directors. The composition of the Board of Directors and any change in the number of Directors shall be made in accordance with the terms of the Declaration and the Bylaws of the Association. Notwithstanding the foregoing, until the election of Directors at the first annual meeting of the members, the initial Board of Directors composed of the three (3) Directors designated herein shall so serve.

ARTICLE VIII. DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each class of the members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets (if any) of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE IX. AMENDMENTS

Amendment of these Articles shall require the assent of three-fourths (3/4) of the votes of the entire membership of each class of the members of the Association.

ARTICLE X. REGISTERED OFFICE AND AGENT

The street address of the initial registered office of the Corporation is 11 Lynn Batts Lane, Suite 100, San Antonio, Texas 78218, and the name of its registered agent at such address is Lloyd A. Denton, Jr.

ARTICLE XI. INITIAL BOARD OF DIRECTORS

The number of Directors constituting the initial Board of Directors of the Corporation is three (3), and the names and addresses of the persons who are to serve as the initial Directors are:

<u>NAME</u>	<u>ADDRESS</u>
Dan Kossi	11 Lynn Batts Lane, Suite 100 San Antonio, Texas 78218
Jami Carr	11 Lynn Batts Lane, Suite 100 San Antonio, Texas 78218
Todd P. Helmer	11 Lynn Batts Lane, Suite 100 San Antonio, Texas 78218

ARTICLE XII. INCORPORATOR

The name and street address of the Incorporator is:

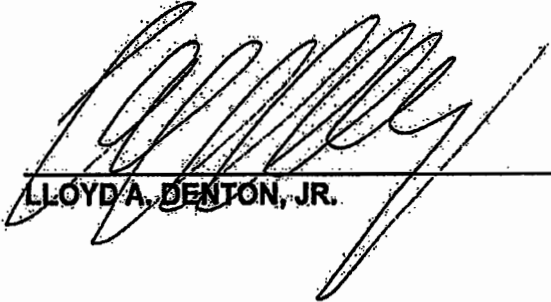
<u>NAME</u>	<u>ADDRESS</u>
Lloyd A. Denton, Jr.	11 Lynn Batts Lane, Suite 100 San Antonio, Texas 78218

ARTICLE XIII. INDEMNIFICATION

The Association shall be entitled to indemnify its officers, directors, and those acting on its behalf, including members of any committee, to the fullest extent allowed by the Texas Nonprofit Corporation Act or other applicable law.

EXECUTED TO BE EFFECTIVE AS OF January 16, 2006.

INCORPORATOR:



LLOYD A. DENTON, JR.

M:\BB\Two Creeks\Unit 2\HOA Articles.1.doc