

**ARTICLES
OF
INCORPORATION**

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FILED In the Office of the Secretary of State of Texas

JUN 03 2002

Corporations Section

ARTICLES OF INCORPORATION OF RROC HOMEOWNERS ASSOCIATION, INC.

The undersigned natural person over the age of 18, acting as a sole incorporator of a corporation (the "Corporation") under the Texas Non-Profit Corporation Act (the "Act"), hereby adopts the following Articles of Incorporation for the Corporation:

ARTICLE 1

NAME

The name of the Corporation is RROC HOMEOWNERS ASSOCIATION, INC.

ARTICLE 2

NONPROFIT CORPORATION

The Corporation is one which does not contemplate pecuniary gain or profit to its members, and it is organized solely for non-profit purposes.

ARTICLE 3

DURATION

The period of duration of the Corporation is perpetual.

ARTICLE 4

PURPOSES AND POWERS

A. The Corporation is organized and shall be operated exclusively as a homeowners association within the meaning of Section 528 of the Internal Revenue Code of 1986, as amended, or the corresponding provision or provisions of any subsequent United State Internal Revenue law or laws (the "Code"). The primary purposes for which the Corporation is formed are as follows:

- 1. To own, govern, operate and maintain the HOA Lots (as defined in the Declaration) located in River Ridge, a subdivision in the City of Crandall, Kaufman County, Texas ("River Ridge");

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2. To provide compliance with the covenants and restrictions set forth in the Declaration of Covenants, Conditions and Restrictions for River Ridge executed on May 23, 2002, by Texas Opportunities, LP, a Texas limited partnership, as Declarant, and duly recorded as Document Number 11121 of the Real Property Records of Kaufman County, Texas, as such Declaration may be supplemented or amended from time to time (the "Declaration");
3. To operate and maintain, with or without an ownership interest, such other lands and facilities as may be necessary or appropriate to the enhancement of River Ridge; and
4. To otherwise promote the common good, health, safety and general welfare of the residents within the property covered by the Declaration (the "Property").

B. Within the scope of the foregoing purposes, and not by way of limitation thereof, the general purposes and powers of the Corporation are as follows:

1. To exercise all the powers and privileges and perform all of the duties and obligations of the Corporation arising from the Declaration applicable to the Property, as amended from time to time, the Declaration being incorporated herein by reference for all purposes;
2. To enforce applicable provisions of the Declaration, the Bylaws of RROC Homeowners Association, Inc. (the "Bylaws"), any rules and regulations of the Corporation and any other instrument for the management and control of the Property;
3. To affect, levy, collect and enforce payment by any lawful means all charges or assessments pursuant to the terms of the Declaration or Bylaws of the Corporation; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Corporation, including all licenses, taxes, or governmental charges levied or imposed against the property of the Corporation.
4. To acquire (by purchase, grant or otherwise), annex and merge, own, hold, improve, build upon, operate, maintain, convey, sell, lease, license, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Corporation.
5. To borrow money and to mortgage, pledge or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred in connection with the affairs of the Corporation; and

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6. To have and to exercise any and all powers rights and privileges, including delegation of powers as permitted by law, which the Corporation under the Act may now or hereafter have or exercise.

The foregoing statement of purposes shall be construed as a statement both of purposes and of powers, and the purposes and powers in each clause shall not be limited or restricted by reference to or inference from the terms or provisions of any other clause, but shall be broadly construed as independent purposes and powers. Notwithstanding any of the above statements of purposes and powers, the Corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the primary purposes of the Corporation or that are inconsistent with its qualification as a homeowners association under Section 528 of the Code.

ARTICLE 5

INITIAL REGISTERED OFFICE AND AGENT

The street address of the Corporation's initial registered office is 1500 E. Industrial Blvd., McKinney, Texas 75069. The name of the initial registered agent at this office is H. George Schuler.

ARTICLE 6

INITIAL BOARD OF DIRECTORS

The initial Board of the Corporation shall consist of three (3) members; thereafter, the number of directors of the Corporation shall be fixed in accordance with the Bylaws adopted by the Corporation. The names and addresses of the persons who shall serve as directors until the first annual meeting of members or until their successors shall have been elected and qualified are as follows:

<u>Name</u>	<u>Address</u>
H. George Schuler	1500 E. Industrial Blvd. McKinney, Texas 75069
Michael Sims	1500 E. Industrial Blvd. McKinney, Texas 75069
Ellen Darr	1500 E. Industrial Blvd. McKinney, Texas 75069

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The number of directors may be increased or decreased by amending the Bylaws of the Corporation, except as may be limited by the Declaration. The number of directors may not be decreased to fewer than three.

ARTICLE 7

LIMITATION ON LIABILITY OF DIRECTORS

A director of the Corporation shall not be personally liable to the Corporation or its members for monetary damages for any act or omission in such director's capacity as a director, except that this Article does not authorize the elimination or limitation of the liability of a director to the extent the director is found liable for: (i) a breach of the director's duty of loyalty to the Corporation; (ii) 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; (iii) 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 (iv) an act or omission for which the liability of a director is expressly provided by an applicable statute. The foregoing elimination of liability to the Corporation and its members shall not be deemed exclusive of any other rights, limitations of liability or indemnity to which a director may be entitled under any other provision of the Articles of Incorporation or Bylaws of the Corporation, contract or agreement, vote of members or directors, principal of law or otherwise. Any repeal or amendment of this Article shall be prospective only, and shall not adversely affect any limitation on the personal liability of a director of the Corporation existing at the time of such repeal or amendment. In addition to the circumstances in which a director of the Corporation is not personally liable as set forth in the foregoing provisions of this Article, the liability of a director shall be eliminated to the full extent permitted by an amendment to the Texas Miscellaneous Corporation Laws Act or the Act hereafter enacted that further eliminated or permits the elimination of the liability of a director.

ARTICLE 8

INDEMNIFICATION

The Corporation shall indemnify any person who was, is, or is threatened to be made a named defendant or respondent in a proceeding (as hereinafter defined) because the person (i) is or was a director or officer of the Corporation or (ii) while a director or officer of the Corporation, is or was serving at the request of the Corporation as a trustee, officer, partner, venturer, proprietor, director, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise, to the fullest extent that a corporation may grant indemnification to a director under the Act, as the same exists or may hereafter be amended. Such right shall be a contract right and shall include the right to be paid by the Corporation expenses incurred in defending any such proceeding in advance of its final disposition to the maximum extent permitted under the Act, as the same exists or may hereafter be amended. If a claim for indemnification or

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advancement of expenses hereunder is not paid in full by the Corporation within ninety (90) days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim, and if successful in whole or in part, the claimant shall be entitled to also be paid the expenses of prosecuting such claim. It shall be a defense to any such action that such indemnification or advancement of costs of defense is not permitted under the Act, but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors or any committee thereof, special legal counsel or members) to have made its determination prior to the commencement of such action that indemnification of, or advancement of costs of defense to, the claimant is permissible in the circumstances nor an actual determination by the Corporation (including its Board of Directors or any committee thereof, special legal counsel or members) that such indemnification or advancement is not permissible shall be a defense to the action or create a presumption that such indemnification or advancement is not permissible. In the event of the death of any person having a right of indemnification under the foregoing provisions, such right shall inure to the benefit of such person's heirs, executors, administrators and personal representatives. The rights conferred above shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, bylaw, resolution of members or directors, agreement or otherwise. TO THE EXTENT PERMITTED BY THEN APPLICABLE LAW, THE GRANT OF MANDATORY INDEMNIFICATION TO ANY PERSON PURSUANT TO THIS ARTICLE SHALL EXTEND TO PROCEEDINGS INVOLVING THE NEGLIGENCE OF SUCH PERSON. The Corporation may additionally indemnify any person covered by the grant of mandatory indemnification contained in this Article to such further extent as is permitted by law and may indemnify any other person to the fullest extent permitted by law. The Corporation may purchase and maintain insurance or a similar arrangement (including, but not limited to, a trust fund, self-insurance, a security interest or lien on the assets of the Corporation, or a letter of credit, guaranty or surety arrangement) on behalf of any person who is serving the Corporation (or another entity at the request of the Corporation) against any liability asserted against such person and incurred by such person in such a capacity or arising out of status as such a person, whether or not the Corporation would have the power to indemnify such person against that liability under this Article or by statute. Notwithstanding the other provisions of this Article, the Corporation may not indemnify or maintain insurance or a similar arrangement on behalf of any person if such indemnification or maintenance of insurance or similar arrangement would subject the Corporation to income or excise tax under the Code.

ARTICLE 9

MEMBERSHIP AND VOTING

A. The Corporation will have one class of members (the "Members"). Each person or legal entity who is an owner as defined in the Declaration, shall be a Member of the Corporation and such membership shall automatically cease when such person or entity no longer owns such interest. Upon any transfer of a homestead, the new owner succeeding to such ownership shall likewise succeed to membership in the Corporation.

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B. Every unit shall be located in a neighborhood as set forth in the Declaration ("Neighborhood"). The Members within each Neighborhood shall elect one Voting Member for each 50 Units within the Neighborhood (rounded up to the nearest 50). On all matters requiring a membership vote, each such Voting Member shall be entitled to cast that number of votes determined by dividing the total number votes in the Neighborhood by the number of Voting Members elected from such Neighborhood, except as otherwise specified in the Declaration or the Bylaws. The Members within each Neighborhood shall also elect one or more alternate Voting Members to be responsible for casting such votes in the absence of a Voting Member. The Voting Members(s) and alternate Voting Member(s) from each Neighborhood shall be elected on an annual basis as set forth in the Declaration. Other rules and declarations governing voting may be set forth in the Declaration or Bylaws so long as they do not conflict with the provisions set forth herein.

ARTICLE 10

NO PRIVATE INUREMENT

No part of the net earnings of the Corporation shall inure to the benefit of any member, director or officer of the Corporation, or any private individual; provided however, that reasonable compensation may be paid for services rendered to or for the Corporation and expenses may be reimbursed or paid in furtherance of one or more of its purposes.

ARTICLE 11

ACTION BY WRITTEN CONSENT

Any action required or permitted to be taken at any meeting of members, directors or committee members of the Corporation may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing setting forth the action so taken shall be signed by a sufficient number of members, directors or committee members, as the case may be, as would be necessary to take that action at a meeting at which all persons entitled to vote on the action were present and voted. Prompt notice of the taking of any action by members, directors or a committee without a meeting by less than unanimous written consent shall be given to those members, directors, or committee members who did not consent in writing to the action.

ARTICLE 12

DISSOLUTION

In the event the Corporation is dissolved, the members shall, after all liabilities and obligations of the Corporation are paid or provision is made therefore, adopt a plan for the distribution of the remaining assets of the Corporation in such manner as will carry out the purposes of the Corporation as a homeowners association within the meaning of Section 528 of

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the Code. The foregoing provision is intended to govern the distribution of the assets of the Corporation in the event of its dissolution in lieu of Article 1396-6.02.A(3) of the Act.

ARTICLE 13

INCORPORATORS

The name and street address of the incorporator is:

Name of Incorporator:

Address:

Robert H. Roeder

Abernathy, Roeder, Boyd & Joplin, P.C.
1700 Redbud Blvd, Suite 300
McKinney, Texas 75070

ARTICLE 14

AMENDMENT

These Articles of Incorporation can be amended only by approval of at least two-thirds (2/3) of the Voting Members.

IN WITNESS WHEREOF, I, the undersigned Incorporator, have executed these Articles of Incorporation on this the 3rd day of June, 2002.

Robert H. Roeder
ROBERT H. ROEDER

Filed for Record in:
Kaufman County

On: Jun 21, 2004 at 03:47P

As a
Recordings

Document Number: 00013241

Amount 86.00

Receipt Number - 13016

By,
Patty Perez

STATE OF TEXAS COUNTY OF KAUFMAN
I hereby certify that this instrument was
filed on the date and time stamped hereon by me
and was duly recorded in the volume and page
of the named records of:

Kaufman County
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.

Jun 21, 2004

Honorable Laura Hushes, County Clerk
Kaufman County

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EXHIBIT "A - 3"

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