

ARTICLES OF INCORPORATION

OF

THE FALLS OWNERS ASSOCIATION, INC.

FILED
the Office of the
State of Texas

OCT 03 1984

Clerk E
Corporations Section

We, the undersigned, natural persons of the age of twenty-one (21) years or more, at least two of whom are citizens of the State of Texas, acting as incorporators of a corporation under the Texas Non-Profit Corporation Act, do hereby adopt the following Articles of Incorporation of such corporation:

ARTICLE I

The name of the Corporation is THE FALLS OWNERS ASSOCIATION, INC., (hereinafter called "the Association").

ARTICLE II

The street address of the initial registered office of the Association is 175 North Falls Drive, New Ulm, Texas 78950, and the name of its initial registered agent at such address is Mr. B. Jay Riviere.

ARTICLE III

The association is a non-profit corporation, without capital stock. The Association is organized solely for the purposes specified in Article V, and no part of its property, whether income or principal, shall ever inure to the benefit of any Director, Officer, or employee of the Association, or of any individual having a personal or private interest in the activities of the Association, nor shall any such Director, Officer, employee or individual receive or be lawfully entitled to receive any profit from the operations of the Association except a reasonable allowance for salaries or other compensation for personal services actually rendered in carrying out one or more of its stated purposes. The Association shall not engage in, and none of its funds or property shall be devoted to, carrying on propaganda or otherwise attempting to influence

legislation.

ARTICLE IV

The period of the Association's duration is perpetual.

ARTICLE V

The purpose or purposes for which said Association is organized are to act as agent for the civic and social benefit and betterment of the residents and property owners of The Falls, Sections One and Two, as recorded at Slide Nos. 63 and 62, respectively, of the Map Records of Colorado County, Texas, which property is being developed by COLORADO OAKS ENTERPRISES, INC., ("Declarant"), and for any and all other property which is accepted by this Association for similar purposes, those purposes being as follows:

- (a) To exercise all of the powers and privileges and perform all of the duties and obligations of the Association as set forth in the Declaration of Covenants, Conditions and Restrictions ("Restrictions") recorded under Clerk's File No. 80891 of Colorado County, Texas, as the same may be amended from time to time;
- (b) To affix, levy collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Restrictions referred to hereinabove;
- (c) To 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 this Association subject to the limitations set forth in the Restrictions;
- (d) To borrow money, to mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred subject to the limitations set forth in the Restrictions;
- (e) To promote and provide recreational and other facilities for the residents and owners of said property;
- (f) To provide any activity or service conducted for the mutual benefit of residents and owners as provided in the Restrictions and to have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation law of the State of Texas, by law may now or hereafter exercise.

ARTICLE VI

any Lot which is subject, by covenants of record, to assessment by the Association, including contract sellers, 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. Memberships shall be appurtenant to and may not be separated from ownership of any Lot. Any mortgagee or lienholder who acquires title to any lot which is a part hereof, through foreclosure shall be a member of the Association.

The Association shall have two classes of voting membership:

Class A. Except as provided under "Class B" below, each Owner as defined in the covenants of record, shall be a Class A member. Each Class A member shall be entitled to one (1) vote for each Lot in which he holds the full fee interest. When the full fee interest in any Lot is held by more than one person, 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 Lot.

Class B. The Class B members shall be the Declarant and its successors and assigns, and shall be entitled to three (3) votes for each Lot owned, provided that the Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or;

(b) On January 1, 2000.

ARTICLE VII

The affairs of this Association shall be managed by a board of five (5) directors, who need not be members of the Association. The number of directors may be changed by amendment of the by-laws of the Association. The names and addresses of the persons who are to act in the capacity of initial directors until the selection of their successors are:

Carl F. Gulley

R.R. 2-34G
North Falls Drive
New Ulm, Texas 78950

B. Jay Riviere

R.R. 2-34G
North Falls Drive
New Ulm, Texas 78950

Darlene Riviere

R.R. 2-34G
North Falls Drive
New Ulm, Texas 78950

At the first annual meeting, the members shall elect one (1) director for a term of one (1) year, one (1) director for a term of two (2) years and one (1) director for a term of three (3) years and at each annual meeting thereafter the members shall elect directors for terms of three (3) years, as needed.

ARTICLE VIII

The Association may be dissolved with the assent given in writing and signed by members entitled to cast not less than ninety percent (90%) of the aggregate of the votes of both classes of membership. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association, if any, shall vest in the Owners, who shall thereafter own equal, undivided interests in and to such assets.

ARTICLE IX

Amendment of these Articles shall require the assent of members entitled to cast not less than ninety (90%) percent of the aggregate of the votes of both classes of membership.

ARTICLE X

This provision shall be applicable only in the event of Federal Housing Administration and Veterans' Administration approval of the Property and only as long as there is a Class B membership. The following actions will require the prior approval of the Federal Housing Administration or the Veterans' Administration: Annexation of additional properties, mergers and consolidations, mortgaging of Common Areas, dedication of Common Area and dissolution and amendment of these Articles.

ARTICLE XI

The name and street address of each incorporator is:

Carl F. Gulley R.R. 2-346
North Falls Drive
New Ulm, Texas 78950

B. Jay Riviere R.R. 2-346
North Falls Drive
New Ulm, Texas 78950

Darlene Riviere R.R. 2-346
North Falls Drive
New Ulm, Texas 78950

IN WITNESS WHEREOF, we have hereunto set our hands this
the 26th day of September, 1984.

Carl F. Gulley
CARL F. GULLEY

B. Jay Riviere
B. JAY RIVIERE

Darlene Riviere
DARLENE RIVIERE

THE STATE OF TEXAS

COUNTY OF Harris

I, the undersigned authority, a Notary Public in and for
said County and State, do hereby certify that on this 26th
day of September, 1984, personally appeared before
me CARL F. GULLEY, who being by me first duly sworn, per-
sonally declared that he is the person who signed the
foregoing document as an Incorporator, and that the state-
ments therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal
the date and year above written.

Irene A. McCollam
Notary Public, State of Texas

IRENE A. MCCOLLAM
Printed Name of Notary

My Commission Expires: 02/07/87

THE STATE OF TEXAS

COUNTY OF Harris

I, the undersigned authority, a Notary Public in and for said County and State, do hereby certify that on this 26th day of September, 1984, personally appeared before me B. JAY RIVIERE, who being by me first duly sworn, personally

declared that he is the person who signed the foregoing document as an Incorporator, and that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the date and year above written.

Irene A. McCollam
Notary Public, State of Texas

IRENE A. MCCOLLAM
Printed Name of Notary

My Commission Expires: 02/07/87

THE STATE OF TEXAS

COUNTY OF Harris

I, the undersigned authority, a Notary Public in and for said County and State, do hereby certify that on this 26th day of September, 1984, personally appeared before me DARLENE RIVIERE, who being by me first duly sworn, personally declared that she is the person who signed the foregoing document as an Incorporator, and that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the date and year above written.

Irene A. McCollam
Notary Public, State of Texas

IRENE A. MCCOLLAM
Printed Name of Notary

My Commission Expires: 02/07/87

Return To:

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