



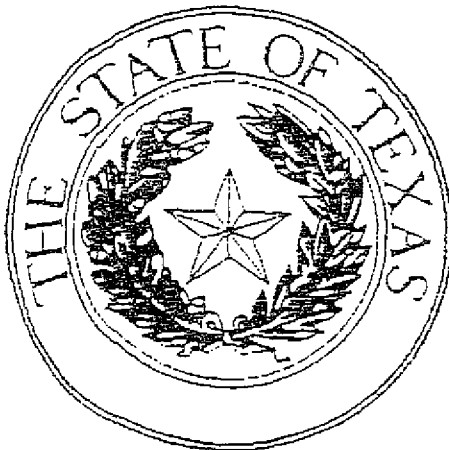
The State of Texas

SECRETARY OF STATE

IT IS HEREBY CERTIFIED that
Articles of Incorporation of

STONEHEDGE HOMEOWNERS ASSOCIATION
File No. 1283433-1

were filed in this office and a certificate of incorporation was issued to this corporation,
and no certificate of dissolution is in effect and the corporation is currently in existence.



*IN TESTIMONY WHEREOF, I have hereunto
signed my name officially and caused to be
impressed hereon the Seal of State at my office in
the City of Austin, on February 11, 1999.*

 DLM

Elton Bomer
Secretary of State

FILED
In the Office of the
Secretary of State of Texas

STONEHEDGE HOMEOWNERS ASSOCIATION

SEP 08 1993

ARTICLES OF INCORPORATION

Corporations Section

We, the undersigned, all of whom are residents of the State of Texas, and all of whom are of full age, have this day voluntarily associated themselves together for the purpose of forming a corporation not for profit, and do hereby certify:

ARTICLE I. NAME

The name of the Corporation is STONEHEDGE HOMEOWNERS ASSOCIATION (hereafter called the "Association"). The Association may also use the name CHURCHILL FARMS HOMEOWNERS ASSOCIATION.

ARTICLE II. PRINCIPAL OFFICE

The principal office of the Association is located at:

STONEHEDGE HOMEOWNERS ASSN.
30500 Berry Creek Drive
Georgetown, TX 78628

ARTICLE III. REGISTERED AGENT

Gary L. Nelson is hereby appointed the initial Registered Agent, of this Association, whose address is:

Gary L. Nelson
30500 Berry Creek Drive
Georgetown, TX 78628

ARTICLE IV. PURPOSE & POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the members thereof, and the general purposes for which it is formed are to provide for maintenance, preservation, and architectural control of the residence Lots and Common Area within that certain tract of real property described as:

TRACT ONE: All of STONEHEDGE, SECTION ONE, a subdivision in Williamson County, Texas, according to the map or plat thereof recorded in Cabinet G, Slides 280-282, Plat Records, Williamson County, TX; SAVE & EXCEPT all dedicated streets therein; and

TRACT TWO: All of STONEHEDGE, SECTION TWO, a subdivision in Williamson County, Texas, according to the map or plat thereof recorded in Cabinet G, Slides 283-285, Plat Records, Williamson County, TX; SAVE & EXCEPT: (i) all dedicated streets therein; and (ii) that portion of Lot 1, Block M, which is owned by, or purportedly owned by, JOE B. McMASTER, by virtue of a Trustee's Deed conveying a 10.16-acre tract pursuant to a Deed of Trust recorded in Volume 1086, Page 925, Official Records, Williamson County, TX;

(the "Property" or "Subdivision" herein);

and to promote the health, safety, and welfare of the residents within the Subdivision, and any additions thereto as may hereafter be brought within the jurisdiction of this Association. For these purposes, the Association may:

- A. Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions, & Restrictions (hereinafter called the "Declaration") applicable to the Property and recorded or to be recorded in the Official Records of Williamson County, Texas, as they may be amended from time to time; and

- B. Enforce applicable provisions of the *Declaration, Bylaws, and Rules & Regulations* of the Association; and
- C. Fix, levy, collect, and enforce payment by any lawful means, all charges or assessments pursuant to the terms of 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 licenses, taxes, or governmental charges levied or imposed against the Property of the Association; and
- D. 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; and
- E. Borrow money, and, with the assent of 67% of each class of members, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred; and
- F. Dedicate, sell, or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by 67% of each class of members, agreeing to such dedication, sale, or transfer; and
- G. Participate in mergers and consolidations with other non-profit corporations organized for the same purposes, or annex additional property and Common Area, provided that any such merger, consolidation, or annexation shall have the assent of 67% of each class of members; and
- H. 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 have or exercise.

ARTICLE V. MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association 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: *Class A Members* shall be all Owners with the exception of the Declarant, and shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members; 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 Member(s)* shall be the Declarant (as defined in the Declaration), and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership.

ARTICLE VII. BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of three (3) Directors, who need not be members of the Association. The number of directors may be increased to five (5) by decision of the then-current Board; otherwise, the number of the directors may be increased above five (5) by amendment of the Bylaws 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:

<u>NAME</u>	<u>ADDRESS</u>
GARY L. NELON	30500 Berry Creek Drive Georgetown, TX 78628
ROBERT D. WUNSCH	30500 Berry Creek Drive Georgetown, TX 78628
R. TIM DURHAM	2305 Islandwood Road Austin, TX 78733

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

ARTICLE VIII. DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than 67% of each class of members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets 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 non-profit corporation, association, trust, or other organization to be devoted to such similar purposes.

ARTICLE IX. DURATION

The Corporation shall exist perpetually.

ARTICLE X. AMENDMENTS

Amendment of these Articles shall require the assent of 67% of the entire membership.

ARTICLE XI. LIABILITIES

The highest amount of indebtedness or liability, direct or contingent, to which this Association may be subject at any one time shall not exceed \$300,000.00 while there is a Class B membership, unless 100% of Class B members consent; and thereafter shall not exceed 150% of its income for the previous fiscal year, provided that additional amounts may be authorized by a vote of 67% of the entire membership.

ARTICLE XII. ANNEXTION OF ADDITIONAL PROPERTIES

A. The Association may, at any time, annex additional real properties and common areas to the Property described in §IV, and so add to its membership under the provisions of §V, provided that any such annexation shall have the assent of 67% of the entire Class A membership and 67% of the Class B membership, if any.

B. If within five years (5 yrs.) of the date of incorporation of this Association, the Declarant should develop additional lands within the area generally described as the "STONEHEDGE SUBDIVISION" or "CHURCHILL FARMS", such additional lands may be annexed to the Property without the assent of the Class A members.

ARTICLE XIII. MERGERS & CONSOLIDATIONS

To the extent permitted by law, the Association may participate in mergers and consolidations with other non-profit corporations organized for the same purposes, provided that any such merger or consolidation shall have the assent of 67% of the

entire *Class A* membership and 67% of the entire *Class B* membership, if any.

ARTICLE XIV. AUTHORITY TO MORTGAGE

Any mortgage by the Association of the Common Area defined in the *Declaration* shall have the assent of 67% of the entire *Class A* membership and 67% of the *Class B* membership, if any.

ARTICLE XV. AUTHORITY TO DEDICATE

The Association shall have the power to dedicate, sell, or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by members entitled to cast 67% of the votes of the entire *Class A* membership and 67% of the entire *Class B* membership, if any, agreeing to such dedication, sale, or transfer.

ARTICLE XVI. MEETINGS FOR ACTIONS GOVERNED BY §§ XI - XV

In order to take action under §XI through §XV, there must be a duly-held meeting. Written notice, setting forth the purpose of the meeting shall be given to all members not less than 30 days nor more than 60 days in advance of the meeting. The presence of members or of proxies entitled to cast 25% of the votes of each class of membership shall constitute a *quorum*. If the required *quorum* is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth above, and the

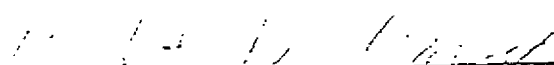
required quorum at such subsequent meeting shall be one-half (1/2) of the required quorum of the preceding meeting.




In witness whereof, for the purpose of forming this Corporation under the laws of the State of Texas, we, the undersigned, constituting the incorporators of this Association, have executed these Articles of Incorporation on this 25 day of _____ 1991.



Gary L. Nelson



Robert D. Wunsch



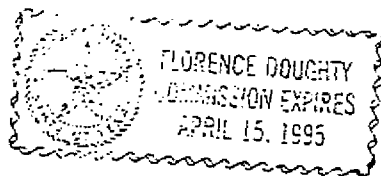
R. Tim Durham

NOTARIAL CERTIFICATE

STATE OF TEXAS *
*
COUNTY OF WILLIAMSON *

ACKNOWLEDGED BEFORE ME by GARY L. NELON, as Incorporator of STONEHEDGE HOMEOWNERS ASSOCIATION, on this 14 day of August 1993, on behalf of said non-profit corporation.

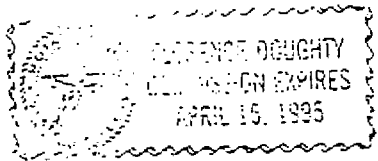
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STATE OF TEXAS *
*
COUNTY OF WILLIAMSON *

ACKNOWLEDGED BEFORE ME by ROBERT D. WUNSCH, as Incorporator of STONEHEDGE HOMEOWNERS ASSOCIATION, on this 25 day of August 1993, on behalf of said non-profit corporation.

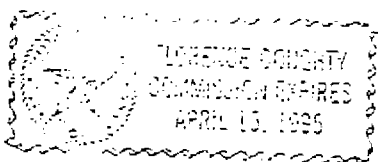
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STATE OF TEXAS *
*
COUNTY OF WILLIAMSON *

ACKNOWLEDGED BEFORE ME by R. TIM DUREAM, as Incorporator of STONEHEDGE HOMEOWNERS ASSOCIATION, on this 26 day of August 1993, on behalf of said non-profit corporation.

[Signature]
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