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January 23, 1998

Secretary of State's Office
Corporation Division
1019 Brazos Street
Austin, Texas 78701


RE: Articles of Incorporation of
Lookout Ridge Property Owners Association, Inc.

To Whom It May Concern:

Enclosed please find the original and one copy of the Articles of Incorporation for the above-referenced Association to be filed with the Secretary of State's office. Also enclosed is my firm check in the amount of \$35.00 (\$10.00 expedited fee included). Once the Articles have been processed, please return them to me in the self-addressed, stamped envelope also enclosed for your convenience.

Thank you for your attention to this matter.

Sincerely,


Terrence L. Irion

TLI/cb

Enclosures

cc: Steve Morse

morse2.ltr

ARTICLES OF INCORPORATION
OF
LOOKOUT RIDGE
PROPERTY OWNERS ASSOCIATION, INC.

We, the undersigned natural persons of the age of eighteen (18) years or more, all of whom are citizens of the State of Texas, acting as incorporators of a Corporation under the Texas Non-Profit Corporations Act, do hereby adopt the following Articles of Incorporation for such Corporation.

ARTICLE I

The name of the Corporation is: Lookout Ridge Property Owners Association, Inc.

ARTICLE II

The Corporation is a non-profit Corporation.

ARTICLE III

The period of duration of the Corporation is perpetual.

ARTICLE IV

(1) The specific and primary purpose for which the Corporation is organized is to exercise and discharge the powers and duties given to the Association in that certain DECLARATION OF LOOKOUT RIDGE, Travis County, Texas (the "Declaration") as recorded in Volume 12578, Page 0658 of the Real Property Records of Travis County, Texas, as said Declaration may be amended from time to time; said Declaration being incorporated herein by reference for all purposes, and in connection therewith to administer the affairs of the residential community described as Lookout Ridge Section One, a plat of record in Plat Book 96, Pages 37-41, Plat Records of Travis County, Texas and hereinafter sometimes referred to as the "Property" as that term is defined in the Declaration (which said residential community is also referred to herein as the "Property").

(2) The general purposes for which the Corporation is organized are:

(a) 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 Property in accordance with the Declaration and the BYLAWS OF THE LOOKOUT RIDGE PROPERTY OWNERS ASSOCIATION, INC. (the "Bylaws");

(b) to promote the common good, health, safety and welfare of the Owners of portions of the Property;

(c) to exercise all of the powers and privileges and to perform all of the duties and obligations of the Corporation arising from the Declaration, as amended from time to time;

(d) to enforce applicable provisions of the Declaration, the Bylaws, any rules and regulations of the Corporation, and any other instrument for the management and control of the Property, including, without limitation, the power:

(i) to fix, levy, collect and enforce payment of, by any lawful means, all charges or assessments pursuant to the terms of the Declaration;

(ii) to contract for and to pay all expenses incurred in connection with maintenance, gardening, utilities, materials, supplies and services relating to all streets and roadways interior to the subdivision and outside of the Property which provide primary access to the Property which have been completed but not accepted by the appropriate governmental entity for maintenance;

(iii) to employ personnel reasonably necessary for administration and control of areas within the Property to be maintained by the Association, including lawyers and accountants as appropriate; and

(iv) to pay all office and other expenses incident to the conduct of the business of the Corporation, including all license fees, taxes and special

assessments which are or would become a lien on any portion of the Property;

(e) to have and to exercise any and all powers, rights and privileges, including delegation of powers as permitted by law, which the Corporation may now or hereafter have or exercise under the Texas Non-Profit Corporation Act, including without limitation, the power:

(i) to acquire (by purchase, grant or otherwise), annex and merge, 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 Corporation;

(ii) to borrow money, mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred; and

(iii) to act in the capacity of principal, agent, joint venturer, partner, or otherwise.

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 specific and primary purpose of the Corporation. The Corporation is organized for non-profit purposes pursuant to the Texas Non-Profit Corporation Act and does not contemplate pecuniary gain or profit to the members thereof.

ARTICLE V

The street address of the initial registered office of the Corporation is 6207 Bee Caves Road, Austin, Texas 78746, and the address for service of process by Registered Mail is 98 San Jacinto #1300, Austin, Texas 78701. The name of the initial registered agent at such address is Alex Sherwood.

ARTICLE VI

Each person or entity who is a record owner (an "Owner") of a fee or undivided fee interest in any portion of the Property which is subject to the Declaration, including contract sellers, and only such persons or entities shall be members of the Association. Ownership of a portion of the Property shall be the sole qualification for membership in the Association and membership in

the Association shall be appurtenant to and may not be separated from ownership of such portion of the Property which is subject to assessment by the Association. The Association may, at its option, issue certificates evidencing membership therein. The share of an Owner in the funds and assets of the Association shall not be assigned, pledged or transferred in any manner except as an appurtenance to each Owner's portion of the Property.

No Owner shall be entitled to vote at any meeting of the Corporation until such Owner has presented to the Corporation proof of ownership of any of the lots which are part of the Property ("Lot" or "Lots"). The vote of each Owner may be cast by such Owner or by proxy given to such Owner's duly authorized representative.

Each Owner shall be entitled to vote, the value of which shall be as set forth more fully in the Declaration. When more than one person or entity holds an interest in any Lot, all of such persons or entities may exercise the voting power attributable to such Lot as they mutually agree, but in no event shall more than one vote be counted with respect to any one Lot. The foregoing is not intended to include persons or entities who hold an interest in a Lot merely as security for the performance of an obligation.

Any Owner in default of any provision of the Declaration shall not be entitled to vote at any meeting of the Corporation so long as such default remains in existence.

ARTICLE VII

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

<u>NAME</u>	<u>ADDRESS</u>
Terrence L. Irion	3660 Stone Ridge Road #B-102 Austin, Texas 78746

ARTICLE VIII

The affairs of the Association shall be managed by a Board of Directors consisting of three (3) Directors who shall serve the function of and possess all powers granted to boards of directors under the Texas Non-Profit Corporation Act. The number of Directors may be changed 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 as follows:

<u>NAME</u>	<u>ADDRESS</u>
Steven Morse	11200 Westheimer Road #414 Houston, Texas 77042
Alex Sherwood	6207 Bee Caves Road Austin, Texas 78746
Helen McKinstry	HC04, Box 482-7 Marble Falls, Texas 78654

All of the powers and prerogatives of the Corporation shall be exercised by the initial Board of Directors above named until the first annual meeting of the Association. There shall be an election of Directors at the first annual meeting of the Association, at which there shall be elected two (2) members of the Board of Directors, each of whom shall serve for a term of two (2) years and one (1) member of the Board of Directors who shall serve for a term of one (1) year. At each annual meeting thereafter, the Association shall elect members of the Board of Directors (as vacancies occur by expiration of any Director's term of office), each of whom shall serve for a term of two (2) years. The first annual meeting of the Association shall be called by the initial Board of Directors on not less than ten (10) and not more than fifty (50) days notice to the members of the Association at any time.

ARTICLE IX

Amendment of these Articles of Incorporation shall be by proposal submitted to the membership of the Association. Any such proposed amendment shall be adopted only upon receiving at least sixty-seven percent (67%) of the total value of votes held by the membership of the Association.

ARTICLE X

The Corporation may be dissolved in accordance with the limitations set forth in the Declaration. The Corporation does not contemplate pecuniary gain or profit to the members thereof, and is organized solely for non-profit purposes. In the event of liquidation, dissolution or winding up of the Corporation, voluntarily or involuntarily, the Directors of the Corporation shall dispose of the property and assets of the Corporation in such manner as they, in the exercise of their discretion (as set out in the Declaration), deem appropriate; provided, however, that such disposition shall be exclusively in the furtherance of the object and purposes for which the Corporation is formed, and shall not accrue to the benefit of any Director of the Corporation or any individual having a personal or private interest in the affairs of

the Corporation or any organization which engages in any activity in which the Corporation is precluded from engaging.

IN WITNESS WHEREOF, I have set my hand this 23 day of January, 1998.

Terrence L. Irion
Terrence L. Irion

STATE OF TEXAS
COUNTY OF TRAVIS

BEFORE ME, a notary public, on this day personally appeared Terrence L. Irion, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared that the statements therein contained are true and correct.

Given under my hand and seal of office this 23rd day of January, 1998.

Catherine Beyer
Notary Public, in and for
The State of Texas

Stamp:

