

**ARTICLES OF INCORPORATION  
OF  
SHILOH DOWNS HOMEOWNERS ASSOCIATION**

**FILED**  
In the Office of the  
Secretary of State of Texas  
**SEP 17 1999**

I, the undersigned natural person of the age of eighteen years (18) ~~For non-profit corporation~~ <sup>For non-profit citizen and</sup> resident of the State of Texas, acting as incorporator of a corporation under the Texas Non-Profit Corporation Act, do hereby adopt the following Articles of Incorporation for such corporation:

**ARTICLE I  
NAME**

The name of the Corporation is SHILOH DOWNS HOMEOWNERS ASSOCIATION.

**ARTICLE II  
NON-PROFIT CORPORATION**

The Corporation is a non-profit Corporation.

**ARTICLE III  
DURATION**

The period of its duration is perpetual.

**ARTICLE IV  
PURPOSES**

The purpose or purposes for which the Corporation is organized are:

To promote the health, safety, and welfare of the owners of certain real property, and to preserve the utility and beautification of such property, and for these purposes to:

- (a) Own, acquire, build, operate, and maintain recreation parks, playgrounds, landscaped areas and footways, including buildings, structures and personal properties incident thereto;
- (b) Provide garbage and trash collection and disposal;
- (c) Provide security services;
- (d) Maintain lands and trees;
- (e) Supplement municipal services;
- (f) Pay taxes, if any, on the properties referred to in Subsection (a) of this Article IV;
- (g) Enforce protective and maintenance covenants;

- (h) Provide and maintain landscaping, both on Common Properties and on public lands and rights-of-way;
- (i) Provide educational and entertainment services;
- (j) Collect assessments and contract with other property owner associations;
- (k) Insofar as permitted by law, do any other thing that, in the opinion of the Board of Directors, will promote the common benefit and enjoyment of owners or residents of the property involved.

**ARTICLE V  
INITIAL REGISTERED OFFICE AND AGENT**

The address of the initial registered office of the Corporation is 235 Vinson Lane, P.O. Box 39, Red Oak, Texas 75154, and the name of its initial registered agent at such address is John A. Bass.

**ARTICLE VI  
MANAGING BODY OF CORPORATION**

The management of the Corporation is vested in its Board of Directors, and such committees of the Board that the Board may, from time to time, establish. The Bylaws will provide the qualifications, manner of selection, duties, terms, and other matters relating to the Board of Directors.

In electing directors, members may not cumulate their votes, either by giving one candidate as many votes as the number of directors to be elected, or by distributing the same number of votes among any number of candidates.

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>
1. John A. Bass	235 Vinson Lane P.O. Box 39 Red Oak, Texas 75154

INCORPORATED IN TEXAS

2. Mary Lou Bass

235 Vinson Lane  
P.O. Box 39  
Red Oak, Texas 75154

3. Linda Loyd

915 Burkett  
Brownwood, Texas 76801

The number of directors may be increased or decreased by adopting or amending the Bylaws of the Corporation.

#### **ARTICLE VII INCORPORATOR**

The name and street address of the incorporator are, respectively, Robert H. McKenzie-Smith and 409 West Vickery Boulevard, Suite 200, Fort Worth, Texas 76104.

#### **ARTICLE VIII MEMBERSHIP**

The Corporation will have one or more classes of members, as provided in the Bylaws.

#### **ARTICLE IX RESTRICTIONS AND REQUIREMENTS**

The Corporation may not pay dividends or other corporate income to its members, directors, or officers, or otherwise accrue distributable profits, or permit the realization of private gain. The Corporation may not take any action prohibited by the Texas Non-Profit Corporation Act. The Corporation may not engage in any activities, except to an insubstantial degree, that do not further its purposes, as set forth in these Articles.

The Corporation may not take any actions which are inconsistent with the requirements for a tax exemption under Internal Revenue Code Section 501(c)(3), and related regulations, rulings, and procedures. Nor may it take any actions which are inconsistent with the requirements for receiving tax deductible charitable contributions under Internal Revenue Code Section 170(c)(2) and related regulations, rulings, and procedures. Regardless of any other provision in these Articles of Incorporation or State Law, the Corporation may not:

1. Engage in activities or use its assets in manners that do not further one or more exempt purposes, as set forth in these Articles and defined by the Internal Revenue

- Code and related regulations, rulings, and procedures, except to an insubstantial degree.
2. Serve a private interest other than one clearly incidental to an overriding public interest.
  3. Devote more than an insubstantial part of its activities to attempting to influence legislation by propaganda, or otherwise, except as provided by the Internal Revenue Code and related regulations, rulings, and procedures.
  4. Participate in or intervene in any political campaign on behalf of or in opposition to any candidate for public office. The prohibited activities include publishing or distributing statements, and any other direct or indirect campaign activities.
  5. Have objectives characterizing it as an "action organization," as defined by the Internal Revenue Code and related regulations, rulings, and procedures.
  6. Distribute its assets on dissolution other than for one or more exempt purposes. On dissolution, the Corporation's assets will be distributed to the state government for a public purpose, or to an organization exempt from taxes under Internal Revenue Code Section 501(c)(3), to be used to accomplish the general purposes for which the Corporation was organized.
  7. Permit any part of the Corporation's net earnings to inure to the benefit of any private shareholder or member of the Corporation, or any private individual.
  8. Carry on an unrelated trade or business, except as a secondary purpose related to the Corporation's primary, exempt purposes.

#### **ARTICLE X POWERS**

Except as these Articles otherwise provide, the Corporation has all the powers provided in the Texas Non-Profit Corporation Act. Moreover, the Corporation has all implied powers necessary and proper to carry out its express powers. The Corporation may reasonably compensate directors or officers for services rendered to or for the Corporation in furtherance of one or more of its purposes.

#### **ARTICLE XI LIMITATION ON LIABILITY OF DIRECTORS**

A director is not liable to the Corporation, or members, for monetary damages for an act or omission in the director's capacity as director, except as otherwise provided by a Texas statute.

**ARTICLE XII  
INDEMNIFICATION**

The Corporation may indemnify a person who was, is, or is threatened to be made a named defendant, or respondent, in litigation or other proceedings because the person is, or was, a director, or other person related to the Corporation, as provided by the provisions of the Texas Non-Profit Corporation Act governing indemnification.

As the Bylaws provide, the Board may define the requirements and limitations for the Corporation to indemnify directors, officers, or others related to the Corporation.

**ARTICLE XIII  
CONSTRUCTION**

All references in these Articles to statutes, regulations, or other sources of legal authority refer to the authorities cited, or their successors, as they may be amended from time to time.

**ARTICLE XIV  
ACTION BY WRITTEN CONSENT**

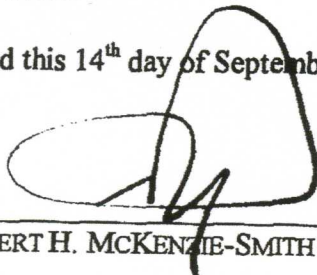
Pursuant to the Bylaws, action may be taken by use of signed written consents by the number of members, directors, or committee members whose votes are necessary to take action at a meeting at which all such persons entitled to vote are present and voted. Each written consent must bear the date of signature of each person signing same. A consent signed by fewer than all of the members, directors, or committee members is not effective to take the intended action unless consents, signed by the required number of persons, are delivered to the Corporation within sixty (60) days after the date of the earliest dated consent delivered to the Corporation. Delivery must be made by hand, or by certified or registered mail, return receipt requested. The delivery may be made to the Corporation's registered office, registered agent, principal place of business, transfer agent, registrar, exchange agent, or an officer or agent having custody of books in which the relevant proceedings are recorded. If delivery is made to the Corporation's principal place of business, the consent must be addressed to the president or principal executive officer.

ARTICLE XIII CONSTRUCTION

The Corporation will give prompt notice of the action taken to persons who do not sign consents. If the action requires documents to be filed with the Secretary of State, the filed documents will state that the written consent procedures have been properly followed.

A telegram, telex, cablegram, or similar transmission by a member, director, or committee member, or photographic, facsimile, or similar reproduction of a signed writing, is to be regarded as being signed by the member, director, or committee member.

IN WITNESS WHEREOF, I have hereunto set my hand this 14<sup>th</sup> day of September, 1999.



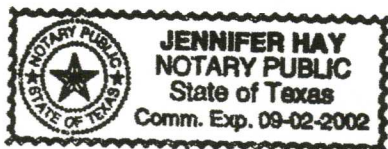
ROBERT H. MCKENZIE-SMITH

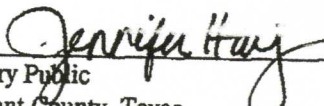
STATE OF TEXAS

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COUNTY OF TARRANT

BEFORE ME, the undersigned authority, on 14 September 1999, personally appeared Robert H. McKenzie-Smith, a person known to me, who upon his oath, declared and affirmed that he executed the foregoing instrument for the purposes and considerations therein expressed.



  
Notary Public  
Tarrant County, Texas

SEPTEMBER 15 1999