

MAR 14 2005

ARTICLES OF INCORPORATION OF
CORPORATIONS SECTION
CHESTNUT SPRINGS OWNERS ASSOCIATION, INC.

The undersigned natural person of the age of twenty-one years or more, a citizen of the State of Texas, acting as the incorporator of a corporation under the Texas Non-Profit Corporation Act, hereby adopts the following Articles of Incorporation for such Corporation.

Article I
Corporate Name

The name of the corporation is CHESTNUT SPRINGS OWNERS ASSOCIATION, INC., hereinafter sometimes called the "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
Corporate Purpose

This corporation does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are:

1. to promote the orderly development, improvement and use of those residential Lots to be developed and platted as CHESTNUT SPRINGS SUBDIVISION, UNIT 1, a subdivision in Bexar County, and such other property as may be annexed to CHESTNUT SPRINGS OWNERS ASSOCIATION, INC., by action of the Declarant, its successors and/or assigns, and as otherwise provided in the Declaration Of Protective Covenants, Conditions And Restrictions affecting said property, hereinafter sometimes called the "Property";

2. to preserve and maintain the orderly development, improvement and use of said land with the objective of enhancing the land value and establishing a desirable environment for owners and occupants of said land and improvements;

3. to establish and enforce architectural and landscaping controls of the lots and common areas within the Property;

4. to promote the health, safety and welfare of the owners and occupants within the Property, and for these purposes to:

a. exercise all of the powers and privileges to perform all of the duties and obligations of the Association as set forth in that certain Protective Covenants, Conditions And Restrictions, hereinafter sometimes called the "Declaration", applicable to the Property and to be recorded in the Property Records of Bexar County, Texas, and as same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

b. enter into contracts and such other agreements necessary to perform or have performed such services as may be required to accomplish the herein stated purposes of the Association, so long as no pecuniary gain or profit is realized to any member or members;

c. fix, levy, collect and enforce payment by any lawful means, of 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, but not limited to, all licenses, taxes or governmental charges levied or imposed against the property of the Association;

d. acquire (by give, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for membership use or otherwise dispose of real or personal property in connection with the affairs of the Association;

e. borrow money, with the assent of the membership vote, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

f. dedicate, sell or transfer all or any part of the Common Area (as defined in the Declaration) 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 at least two-thirds (2/3) of the membership vote, agreeing to such dedication, sale or transfer;

g. participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional property and/or common area; provided that any such merger, consolidation or annexation shall have the ascent of the membership, unless otherwise provided in the Declaration;

h. enter into contracts to maintain, expand, and reconstruct improvements within the boundary of the Association's common area, if any, and to allocate the cost for such activities to the owners of lots within the Property, on an equal basis, which maintenance, expansion, and reconstruction shall include, but not be limited to repair, maintenance and landscaping of streets, utilities, entryway and other common areas; and

i. have and exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Act of the State of Texas by law may now or hereafter have or exercise.

Article V

Registered Office and Registered Agent

The street address of the initial registered office of the corporation is 5802 IH-10 West, San Antonio, Texas 78201 and the name of its initial registered agent at such address is Jesse T. Murphy.

Article VI

Membership in Non-Profit Corporation

Every person or entity who is a record owner of a fee or an undivided fee interest in any Lot, which by the Declaration of record is subject to assessment by the Association, shall be a member of the Association. The foregoing shall not include persons or entities that hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

**Article VIII
Board of Directors**

The affairs of the 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 changed by amendment to the By-Laws of the Association, provided there shall never be less than three (3) directors. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting. The names and addresses of the persons who are to serve as the initial Directors are:

Doug Carpenter	21232 Gathering Oaks, Suite 103 San Antonio, Texas 78258
Ricke Barnett	21232 Gathering Oaks, Suite 103 San Antonio, Texas 78258
Jesse T. Murphy	5802 IH-10 West San Antonio, Texas 78201

**Article IX
Action Without Meeting**

Any action required by the Texas Non-Profit Corporation act to be taken at a meeting of the members or directors of a corporation or any action that may be taken at a meeting of the members or directors or of any committee may be taken without a meeting if a consent, in writing, setting forth the action to be taken, is signed by a sufficient number of members, directors or committee members as would be necessary to take that action at a meeting at which all of the members, directors, or members of the committee were present and voted.

**Article X
Limitation of Liability of Directors**

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

Article VII
Voting

Voting Unit: Each Lot, defined by the Declaration Of Protective Covenants, Conditions And Restrictions For Chestnut Springs Subdivision, Unit 1, a subdivision in Bexar County, Texas, as it may be amended, shall be a voting unit. A single entity owning more than one Lot, whether they are adjacent, partially contiguous, or totally separated, shall have each Lot counted independently for determination of Voting.

Voting Right: The Association shall have two classes of voting membership:

Class A: Class A members shall be all Lot Owners, except Declarant. Each Class A member shall be entitled to one vote for each Lot owned. When more than one person holds an ownership interest in any Lot, all such persons shall be members; the vote of each Lot shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to any Voting Unit.

Class B: The Class B member is Declarant, named in the Declaration Of Protective Covenants, Conditions And Restrictions For Chestnut Springs Subdivision, Unit 1, a subdivision in Bexar County, Texas, and shall be entitled to three (3) votes for each Lot owned, until the votes of the Class A members exceed the votes of the Class B member, or December 31, 2015, whichever first occurs; thereafter the Class B member shall be entitled to one vote per Lot owned.

Quorum: Unless otherwise stated in the Declaration Of Protective Covenants, Conditions And Restrictions For Chestnut Springs Subdivision, Unit 1, a subdivision in Bexar County, Texas, the quorum required for any action on any issue submitted to the vote of the members shall be one tenth (1/10) of each class of membership votes then outstanding, either present in person or by written proxy at the time of the vote. Members shall be given written notice of any meeting in which an action on any issue submitted to the membership may be considered, and such notice shall in all respects comply with the provision of the Texas Non-Profit Corporation Act.

Amendment: Amendment to these Articles shall require the assent of a majority of the membership of each class of members.

Article XI
Indemnification

The Corporation may indemnify a person who was 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 other persons related to the Corporation.

Article XII
Incorporator

The name and address of the incorporator is:

Jesse T. Murphy
5802 I.H. 10 West
San Antonio, Texas 78201


Executed this 11th day of March, 2005.


Jesse T. Murphy

STATE OF TEXAS §
COUNTY OF BEXAR §

These Articles of Incorporation were acknowledged, subscribed and sworn to on the 11th day of March 2005, by Jesse T. Murphy.




Notary Public, State of Texas