



# The State of Texas

## SECRETARY OF STATE

The undersigned, as Secretary of State of the State of Texas, HEREBY CERTIFIES that the attached is a true and correct copy of the following described instruments on file in this office:

TRAILS HOME OWNERS ASSOCIATION I

Articles of Incorporation

May 27, 1977



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 this

7th day of June A. D. 19 84.

  
Secretary of State pac

ARTICLES OF INCORPORATION  
OF

FILED  
In the Office of the  
Secretary of State of Texas

MAY 27 1977

TRAILS HOME OWNERS ASSOCIATION I

*Michael J. Lee*  
11000 North Loop West, Suite 1000  
Houston, Texas 77037

We, the undersigned natural persons of the age of twenty-one (21) years or more, at least two (2) of whom are citizens of the State of Texas, acting as incorporators of a corporation under the Texas Non-Profit Corporation Act for such corporation:

ARTICLE I

The name of the Corporation is Trails Home Owners Association I, hereinafter called the "Association".

ARTICLE II.

Definitions

The following words when used in these Articles of Incorporation shall have the following meanings:

(a) "Association" shall mean and refer to the corporation incorporated hereunder.

(b) "Common Area" shall mean and refer to all real property now or hereafter owned by the Association or designated as Common Area on any recorded subdivision plat of the Property, and intended to be devoted to the common use and enjoyment of the Members of the Association, together with any and all improvements constructed thereon.

(c) "Declarant" shall mean and refer to The First National

Bank of Atlanta and any successor or assign of The First National Bank of Atlanta, if such successor or assign should acquire all of the Lots then owned by The First National Bank of Atlanta.

(d) "Declaration" shall mean and refer to Part B of the Second Amendment to Declaration of Covenants, Conditions, and Restrictions for The Trails, applicable to the Property, recorded in Volume 77071, Page 1700 of the Deed Records of Dallas County, Texas, as the same may be amended or supplemented from time to time as therein provided.

(e) "Lot" shall mean and refer to any plot or tract of land shown upon any recorded subdivision map of the Property, together with any and all improvements that are now or may hereafter be constructed thereon, with the exception of the Common Area and such other areas as may be reserved on such recorded plat of the Property.

(f) "Member" shall mean and refer to any Owner.

(g) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Property, as that term is herein defined, including contract sellers, but excluding those having any such interest merely as security for performance of an obligation by reason of the existence of a mortgage or other security device unless and until the holder thereof shall have acquired title to any Lot or Lots pursuant to foreclosure or any proceeding in lieu of foreclosure.

(h) "Property" shall mean and refer to that certain real property described in the Declaration, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

### ARTICLE III

The Association is a non-profit corporation.

### ARTICLE IV

The period of its duration is perpetual.

### ARTICLE V

This Association does not contemplate pecuniary gain or profit to the Members thereof. The specific and primary purposes for which the Association is formed is to provide for maintenance, preservation, and architectural control of the Property and to promote the health, safety, and welfare of the residents of the Property, and in order to accomplish said specific and primary purpose, the Association shall have the following general purposes and powers:

(a) 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 the Association; and,

(b) To provide garbage and trash collection within the Property when the same shall be necessary or appropriate to supplement such services provided by the City of Garland, Texas, and to otherwise supplement municipal services; and,

(c) To maintain the exteriors of townhomes built on Lots, and maintain the Common Area; and,

(d) To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration, and reference to the Declaration is hereby made for all purposes; and,

(e) To fix, levy, collect, and enforce payment by any lawful means, of all charges or assessments provided for by the terms of the Declaration and pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including, any licenses, taxes, or governmental charges which may be levied or imposed upon the Common Area or any other property owned by the Association; and,

(f) Insofar as permitted by law, to do any other thing that, in the opinion of the Board of Directors, will promote the common benefit and enjoyment of the residents of the Property; provided, that no part of the net revenue of the Association shall inure to the benefit or of be distributable to any Member, director, or officer of the Association, or any private individual (except that reasonable compensation may be paid for services rendered to or for the Association effecting one or more of its purposes), and no Member, director, or officer of the Association, or any private individual, shall be entitled to share in the distribution of any of the Association's assets upon its dissolution; and provided, further, that no part of the activities of the Association shall be carrying on propaganda, or otherwise attempting, to influence legislation, or participating in, or intervening in (including the publication or distribution of statements), any political campaign on behalf of any candidate for public office; and,

(g) Notwithstanding any of the foregoing statements of purposes and powers, the Association shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the primary purpose of the Association.

#### ARTICLE VI

The street address of the initial registered office of the Association is 1006 N. Britain Road, Irving, Texas 75061, and the name of its initial registered agent at such address is Max G. Thomas.

#### ARTICLE VII

The number of directors constituting the initial Board of Directors of the Association shall be five (5). The names and addresses of the persons who are to serve as the initial directors of the Association until the selection of their successors are:

Robert A. Sego  
834 Pebble Beach  
Garland, Texas 75043

Elton Ray Howard  
6102 Spigglass  
Garland, Texas 75043

Loyse B. Whisman  
6112 Spyglass  
Garland, Texas 75043

M. Merrill Greer  
1006 N. Britain Road  
Irving, Texas 75061

Carl D. Gent  
701 First National Bank Tower  
Atlanta, Georgia 30302

#### ARTICLE VIII

The name and street address of each incorporator is:

Mike C. McWilliams  
Suite 920, 555 Griffin Square  
Dallas, Texas 75202

Michael G. Denton  
Suite 920, 555 Griffin Square  
Dallas, Texas 75202

Jerry D. Johnson  
Suite 920, 555 Griffin Square  
Dallas, Texas 75202

#### ARTICLE IX

Every person or entity who is now, or hereafter becomes an Owner shall automatically be a Member of the Association.

#### ARTICLE X

The Association shall have two (2) classes of voting membership:

CLASS A. Class A Members shall be all Owners with the exception of Declarant. Class A Members shall be entitled to one vote for each Lot owned by such Member. When more than one person holds an interest in any Lot, all such persons shall be Members but the vote, for such Lot shall be exercised as they, among themselves, shall determine,

but in no event shall more than one vote be cast with respect to any such Lot.

CLASS B. The Class B Member shall be the Declarant. The Class B Member shall, at all times when the total number of Lots owned by the Class B Member is greater than one-third ( $1/3$ ) of the total number of Lots owned by Class A Members, be entitled to three (3) votes for each Lot in which such Class B Member holds the interest required for membership in the Association. When the total number of Lots owned by the Class A Members equals or exceeds three (3) times the total number of Lots owned by the Class B Member, the Class B Member shall, during the time such equality or excess continues, be entitled to only one (1) vote for every Lot owned by such Class B Member.

The right to accumulate votes in the election of directors, and/or cumulative voting by any Member of the Association, is hereby expressly denied.

#### ARTICLE XI

In those instances where the Declaration shall require consent of the Members of the Association to actions by the Association, such consent shall be obtained in the manner provided in the Declaration.

## ARTICLE XII

Upon dissolution of the Association, the assets both real and personal of the Association shall be dedicated to an appropriate public agency to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Association. In the event that acceptance of such dedication is refused, such assets shall be granted, conveyed, and assigned to any non-profit corporation, association, trust, or other organization engaged in activities substantially similar to those of the Association and which is qualified as an exempt organization under the Internal Revenue Code of 1954, or the corresponding provisions of any future United States Internal Revenue law.

## ARTICLE XIII

All of the Association's directors and officers and former directors and officers shall be indemnified against expenses actually and necessarily incurred by them in connection with the defense of any action, suit, or proceedings in which they, or any of them, are made parties, or a party, by reason of being or having been directors or officers or a director or officer of this Association, except in relation to matters as to which any such director or officer or former director or officer or person shall be adjudged in such action, suit, or proceeding to be liable for negligence or misconduct. The foregoing right to indemnity shall include reimbursement of the amounts and expenses paid or incurred in settlement thereof or a plea of nolo


contendere (or other plea of substantially the same import and effect) which, in the opinion of counsel for this Association, appears to be in the interest of this Association. Such indemnification shall not be deemed exclusive of any other rights to which those indemnified may be entitled by law or under any by-laws, agreement, vote of the Association's Members, or otherwise.


#### ARTICLE XIV

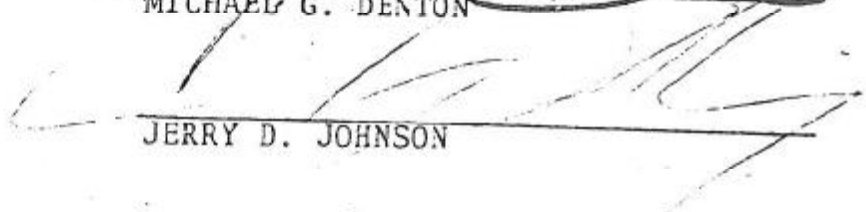
No contract or other transaction between the Association and any person, firm, association, or corporation and no act of this Association shall, in the absence of fraud, be invalidated or in any way affected by the fact that any of the directors or officers of this Association are pecuniarily or otherwise interested, directly or indirectly in such contract, transaction, or act, or are related to or interest in, as a director, stockholder, officer, employee, member, or otherwise, such person, firm, association, or corporation. Any director so interested or related who is present at any meeting of the Board of Directors or committee of directors of this Association at which action on any such contract, transaction, or act is taken may be counted in determining the presence of a quorum at such meeting and may vote thereat with respect to such contract, transaction, or act with like force and effect as if he was not so interested or related. No director so interested or related shall, because of such interest or relationship, be disqualified from holding his office or be liable to the Association or to any Member or creditor thereof for

any loss incurred by this Association under or by reason of such contract, transaction, or act, or be accountable for any gains or profits he may have realized therein.

IN WITNESS WHEREOF, we have hereunto set our hands this  
24<sup>th</sup> day of MAY, 1977.

  
MIKE C. McWILLIAMS

  
MICHAEL G. DENTON

  
JERRY D. JOHNSON

THE STATE OF TEXAS

COUNTY OF DALLAS

BEFORE ME, the undersigned authority, on this day personally appeared MIKE C. McWILLIAMS, known to me to be the person whose name is subscribed to the foregoing instrument, and who being by me first sworn, acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 24th day of May, 1977.

  
Notary Public in and for  
Dallas County, Texas

My Commission Expires:


9-28-78

THE STATE OF TEXAS

COUNTY OF DALLAS

BEFORE ME, the undersigned authority, on this day personally appeared MICHAEL G. DENTON, known to me to be the person whose name is subscribed to the foregoing instrument, and who being by me first sworn, acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 24th day of May, 1977.

  
Notary Public in and for  
Dallas County, Texas

My Commission Expires:


9-28-78

THE STATE OF TEXAS

COUNTY OF DALLAS

BEFORE ME, the undersigned authority, on this day personally appeared JERRY D. JOHNSON, known to me to be the person whose name is subscribed to the foregoing instrument, and who being by me first sworn, acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 24th day of May, 1977.

  
Notary Public in and for  
Dallas County, Texas

My Commission Expires:

9-28-78