

Filed
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Corporations Section

ARTICLES OF INCORPORATION
OF
CANYON SPRINGS RESORT PROPERTY OWNERS' ASSOCIATION
(RESTATED)

Charter No: 328033

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, do hereby adopt the following Articles of Incorporation for such corporation:

ARTICLE ONE
NAME

The name of the corporation is CANYON SPRINGS RESORT PROPERTY OWNERS' ASSOCIATION, INC.

ARTICLE TWO
NONPROFIT CORPORATION

The corporation is a nonprofit corporation.

ARTICLE THREE
DURATION

The period of its duration is perpetual.

ARTICLE FOUR
PURPOSES

The purposes for which this corporation is formed are:

A (1) The primary purposes are to receive and maintain a fund or funds of real or personal property, or both, and, subject to the restrictions and limitations hereinafter set forth, to use and apply the whole or any part of the income therefrom and the principal thereof exclusively for pleasure, recreation, and enforcement of restrictive covenants.

(1a) United Land Company, Inc., a Texas corporation ("UNITED"), has heretofore assigned to Canyon Springs Resort Property Owners' Association, Inc., a Texas corporation (CSRPOA) all rights, duties and obligations of UNITED, as such rights, duties and obligations are set forth and provided in each and all of the restrictive covenants covering units I, II, III, IIIA, IV and V, Canyon Springs Resort, being subdivisions located in Comal County, Texas, said Assignment being recorded in Volume 532, pages 234-235, Official Public Records of Real Property of Comal

County, Texas. [cite: Assignment by United Land Company-9/10/86. Accepted by CSRPOA-9/10/86. Acknowledged 9/30/86. Executed-1/12/87. Filed-1/17/87 (#338629/#338630).

(1 b) The primary purpose of the corporation shall be as the custodian and protector of the community of Canyon Springs Resort, to receive and maintain funds for the administration of the corporation; upkeep and maintenance of community facilities, and other purposes of the corporation, to regulate and administer restrictive covenants of the subdivision, and to foster a sense of community pride and belonging among the residents and property owners of Canyon Springs Resort. (cite: Texas Property Code Chapter 204.005)

(2) No part of the net earnings of the corporation shall inure to the benefit of any director of the corporation, officer of the corporation, private shareholder, or any private individual (except that reasonable compensation may be paid for services rendered to or for the corporation affecting one or more of its purposes), and no director or officer of the corporation, or any private individual be entitled to share in the distribution of any of the corporate assets on dissolution of the corporation.

(3) Notwithstanding any other provision of these Articles of Incorporation, the corporation shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt from taxation under Section 501 (c) (7) of the Internal Revenue Code and its regulations as they now exist or as they may hereafter be amended.

(4) Upon dissolution of the corporation or the winding up of its affairs, the assets of the corporation shall be distributed exclusively to another tax exempt organization which would then qualify under the provisions of the Internal Revenue Code and its regulations as they now exist or as they may hereafter be amended.

B (1) The general purposes and powers are to acquire, maintain, and conduct buildings and property for a community center and educational and recreational facilities to serve the community consisting of those individuals who own property in Canyon Springs Resort, a subdivision located within the confines of Comal County, State of Texas, to acquire other properties, and to construct building for such purposes, to engage in any and all types of activities not prohibited by law which shall promote and foster better citizenship among its members, and which shall promote and foster educational, recreational, physical, and social activities of its members and friends, to promote and foster mutual understanding and good will among all persons, to engage in such activities as shall raise the standards of civic morality and community welfare through educational, recreational, and social facilities, and to disseminate such knowledge as shall be useful for its members in their work and home life and as shall make them more proficient in their activities as citizens and residents of the State of Texas.

Notwithstanding any of the above statements of purposes and powers, this corporation 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 this corporation. This corporation is organized pursuant to the Texas Non-Profit Corporation Act and does not contemplate pecuniary gain or profit to the members thereof and is organized for non-profit purposes.

**ARTICLE FIVE
NON-STOCK CORPORATION**

The Corporation shall be non-stock, and no dividends or pecuniary profit shall be declared or paid to the members thereof.

**ARTICLE SIX
INITIAL REGISTERED OFFICE AND AGENT**

The name of the Corporation's registered agent is Ms. Lynn Nesbit, who address is 156 Scenic Loop, S, Canyon Lake, Texas 78133. The address of the registered agent is 691 Canyon Springs Drive, Canyon Lake, Texas 78133.

**ARTICLE SEVEN
BOARD OF DIRECTORS**

The number of directors constituting the current Board of Directors of the corporation is (9), and the names and addresses of the persons who are to serve as the Current Directors are

<u>Name</u>	<u>Address</u>
David Adams	739 Canyon Oaks Canyon Lake, Texas 78133
Ray Bacon	1713 Lakeside Drive W Canyon Lake, Texas 78133
Larry Cunningham	120 Quiet Cove Canyon Lake, Texas 78133
Bill Jones	14825 Cranes Mill Road Canyon Lake, Texas 78133
Louise Legutchik	447 Lake Park Loop Canyon Lake, Texas 78133
Ernie Lee	1542 Lakeside Drive W Canyon Lake, Texas 78133
Lynn Nesbit	156 Scenic Loop S Canyon Lake, Texas 78133
Melinda Shinn	729 Trail Crest Canyon Lake, Texas 78133
Blanche Thornburg	909 Canyon Springs Drive Canyon Lake, Texas 78133

**ARTICLE EIGHT
ORIGINAL INCORPORATORS**

The name and street address of each original incorporator was:

<u>Name</u>	<u>Address</u>
Altus T. Bowden	Route 4. Box 435 New Braunfels, Texas 78130
Gerald C. Smith	Route 4. Box 501 New Braunfels, Texas 78130
Opal O'Rear	Route 4, Box 501-A New Braunfels, Texas 78130

**ARTICLE NINE
SELECTION OF DIRECTORS**

Manner in which the directors are to be elected by the members is as follows: A nominating committee chair shall be appointed by the President at the Board of Directors' meeting in March of each year, who shall appoint a committee. It shall be the duty of this committee to nominate a candidate for each of the (9) director positions. The members of the corporation may, at the corporation May meeting, nominate individuals to serve as directors, provided the consent of the nominee shall first have been obtained. At the May meeting of the corporation, upon the terminating of all nominations, the members of the corporation shall then vote to elect nine (9) of the corporation's directors. Each elected director shall serve for a term of (1) year, commencing the 1st day of June and terminating the last day of May.

The affairs of the corporation shall be managed by its Board of Directors. Directors must be residents of the State of Texas and members of the corporation.

The Board of Directors may adopt and amend bylaws for the corporation by an affirmative vote of two-thirds of the directors present at any regular or special meeting.

**ARTICLE TEN
CORPORATE OFFICERS AND THEIR FUNCTIONS**

The general officers of the corporation shall be: President, First Vice-President, Second Vice-President, Secretary, and Treasurer.

The principal duties of the President shall be to preside at all meetings of the members and the Board of Directors and to have a general supervision of the affairs of the corporation

and to perform such other duties and exercise such other powers as may from time to time be delegated by the Board of Directors.

The principal duties of the Vice-Presidents shall be to discharge the duties of the President in the absence or disability, for any cause whatsoever, of the president and to perform all duties as may be delegated to them by the President.

The principal duties of the Secretary shall be to countersign all deeds, leases and conveyances executed by the corporation, if any. Keep a record of the proceedings of the Board of Directors, and to safely and systematically keep all books, papers, records, and documents belonging to the corporation, or in any way pertaining to the business thereof, except the books and records incidental to the duties of the Treasurer, and to perform such other duties as may be delegated from time to time by the Board of Directors.

The principal duties of the Treasurer shall be to keep an account of all monies, credits, and property, if any, of any and every nature of the corporation which shall come into his hands, and to keep an accurate account of all monies received and disbursed and of proper vouchers for monies disbursed, and to render such accounts, statements, and inventories of monies received and disbursed and of money and property on hand, and generally of all matters pertaining to the office, as shall be required by the Board of Directors. No money shall be paid out except on direct authority of the Board of Directors.

The Board of Directors may provide for the appointment of such individual officers as they may deem for the best interests of the corporation.

Whenever the Board of Directors may so order, any two (2) offices, the duties of which do not conflict, may be held by one (1) person, except the offices of President and Secretary.

The officers shall perform such additional or different duties as shall from time to time be imposed or required by the Board of Directors, or as may be prescribed from time to time by the Bylaws.

ARTICLE ELEVEN ELECTION OF OFFICERS

The officers shall be elected by the Directors, who shall first be elected by the members of the corporation.

ARTICLE TWELVE MEMBERSHIP REQUIREMENTS

Membership in the corporation includes all present and future property owners of Canyon

Springs Resort, a subdivision located within the confines of Comal County, State of Texas, but, the right to vote on corporate business and use of corporate facilities are specifically restricted to those members in good standing.

ARTICLE THIRTEEN AMENDMENTS

These articles may be amended in the manner provided by statute at the time of amendment. Each amendment has been effected in conformity with the provisions of the Texas Non-Profit Corporation Act. The instrument accurately copies the articles of incorporation and all amendments thereto that are in effect to date and as further amended by the restated articles of incorporation and that any additions thereto that are in effect to date and as further amended by the restated articles of incorporation; and, that the instrument contains no other change in any provision. The amendments were adopted at a meeting of members and directors held on the 15th day Of November, 1997, by a majority vote of the Board of Directors; there being no members having voting rights. The following articles were amended: 1(1a); 6; 7; 9; 10; and 13. The following articles were added 1,(1b); and 15.

ARTICLE FOURTEEN CORPORATIONS MEETINGS

An annual meeting of the members shall be held on the third Saturday in the month of May. Special meetings may be called at any time by the President or in her/his absence by the First Vice President or by the Board of Directors, or by not less than one-tenth of the members having (election) voting rights. The Board of Directors shall further meet at the discretion of the President.

ARTICLE FIFTEEN LIMITATION OF MEMBERS' LIABILITY

The private property of the members of this corporation shall not be liable for its corporate debts.

A corporation may indemnify a person who was, is, or is threatened to be named as a defendant or respondent in a proceeding because the person is or was a director only, and is determined in accordance with Section F of this article that the person: (1) conducted himself in good faith; (2) reasonably believed: (a) in the case of conduct in his official capacity as a director of the corporation conduct was in the corporation's best interests; and (b) in all other cases, that his conduct was at least not opposed to the corporation interests; and (3) in the case of any criminal proceeding, had no reasonable cause to believe to be unlawful (cite: Vernon's Texas civil statutes- Art. 193996-2.22A).

IN WITNESS WHEREOF, we have hereunto set our hands, this 15th day of November, 1997.

Original signature present

Ernest T. Lee

Treasurer