

AUG 08 2012

**CERTIFICATE OF FORMATION OF
POTRANCO RANCH HOMEOWNERS ASSOCIATION, INC.**

Corporations Section

I, the undersigned, natural person of the age of twenty-one years or more, being a citizen of the State of Texas, acting as the incorporator of a corporation under the Texas Business Organizations Code, do hereby adopt the following Certificate of Formation for such Corporation:

**ARTICLE I.
NAME**

The name of the Corporation is POTRANCO RANCH HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Corporation" or the "Association."

**ARTICLE II.
NONPROFIT**

The Corporation is a nonprofit corporation.

**ARTICLE III.
PURPOSES**

The purposes of the Corporation shall be all lawful purposes of a nonprofit corporation, including but not limited to governing the Potranco Ranch Subdivision, Medina County, Texas, administering the Declaration of Covenants, Conditions and Restrictions for Potranco Ranch, as it now exists and as it may hereinafter be amended, maintaining and administering the common area of Potranco Ranch Subdivision, and the common area of any additional properties which may come within the jurisdiction of the Association, collecting and disbursing the assessments and charges under the Declaration of Covenants, Conditions and Restrictions for Potranco Ranch Subdivision, and similarly dealing with all additional properties which may come within the jurisdiction of the Association by annexation or otherwise, and all other property, real, personal and mixed which the Association may acquire.

**ARTICLE IV.
MEMBERSHIP**

Every record owner, whether one or more persons or entities, of fee simple title in any lot which is subject by covenants of record to assessment by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who 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 V.
VOTING RIGHTS

The Association shall have two classes of voting membership.

(a) Class "A". The Class "A" Members shall be all Owners. The Class "A" Members shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to any Lot.

(b) Class "B". The Class "B" Member shall be Declarant. The Declarant shall be entitled to three votes for each Lot it owns; provided, however, that Declarant shall cease to be a Class "B" Member and shall become a Class "A" Member entitled to one vote per Lot on the happening of either of the following events:

- (1) upon Declarant's discretion, if the total votes outstanding in the Class "A" membership equals the total votes outstanding in the Class "B" membership, or
- (2) the expiration of ten (10) years from the recording date of this instrument in the Real Property Records of Bexar County.

From and after the happening of these events, whichever occurs earlier, the Class B Members shall be deemed to be Class A Members entitled to one vote for each Lot in which they hold the interest required for membership.

ARTICLE VI.
BOARD OF DIRECTORS

The affairs of this Association shall be managed by governing authority, hereby designated as a Board of Directors. There shall be three Directors. The number of Directors may be changed by amendment of the Bylaws of the Association. Until the first election of the Directors the three Initial Board of Directors, listed in Article XI, shall so serve.

At the first annual meeting following expiration of Declarant Control (as set forth in the Bylaws), Members shall elect the entire Board of Directors as follows: one Directors shall be elected for a term of one year, one Director shall be elected for a term of two years, and one Director shall be elected to a term of three years; thereafter, all Directors shall be elected for three year terms.

ARTICLE VII.
DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of the Members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be distributed in the manner

provided by Section 22.304, Texas Business Organizations Code.

ARTICLE VIII.
AMENDMENTS

Amendment of this Certificate shall require the assent of three-fourths of the membership.

ARTICLE IX.
REGISTERED AGENT

The street address of the initial registered office of the Corporation is 14855 Blanco Road, Suite 203, San Antonio, TX 78216 and the name of its registered agent at such address is Harry Hausman.

ARTICLE X.
INITIAL BOARD OF DIRECTORS

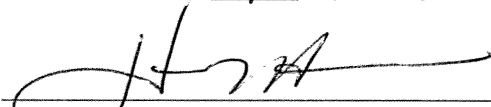
The number of Directors constituting the initial Board of Directors of the Corporation is three (3), and the names and addresses of the persons who are to serve as the initial Directors are:

Harry Hausman	14855 Blanco Road, Suite 203, San Antonio, TX 78216
David Earl	15303 Huebner Rd., Building 15, San Antonio, TX 78248
Bart Swider	15303 Huebner Rd., Building 15, San Antonio, TX 78248

ARTICLE XI.
ORGANIZER

The name and street address of the Incorporator is:
Harry Hausman
Address: 14855 Blanco Road, Suite 203, San Antonio, TX 78216

Executed this the 9 day of July, 2012.


HARRY HAUSMAN


David L. Encl, Sec.

