


**NOTICE OF FILING OF
CERTIFICATE OF FORMATION OF
VALLEY RANCH COMMUNITY OWNERS ASSOCIATION, INC.**

STATE OF TEXAS §
 §
COUNTY OF BEXAR §

Notice is hereby given to all persons with any interest in or claim to any parts of the property within the jurisdiction of Valley Ranch Community Owners Association, Inc. that said property is subject to the Certificate of Formation of Valley Ranch Community Owners Association, Inc. attached hereto as Exhibit A and incorporated herein for all purposes.

Thus signed and certified this 28th day of May, 2015.

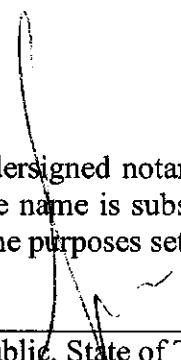


Buck Benson
Pulman, Cappuccio, Pullen, Benson & Jones, LLP
2161 NW Military Hwy., Suite 400
San Antonio, Texas 78213

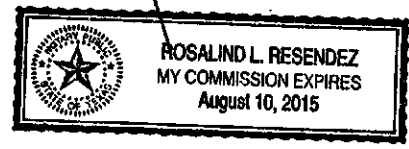
Legal Counsel for Valley Ranch Community
Owners Association, Inc.

STATE OF TEXAS §
 §
COUNTY OF BEXAR §

On this 28th day of May, 2015, before me, the undersigned notary public, personally appeared Buck Benson, known to me to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes set forth therein.



Notary Public, State of Texas



AFTER RECORDING RETURN TO:
Shanna Castro
Pulman, Cappuccio, Pullen, Benson & Jones, LLP
2161 NW Military Hwy., Suite 400
San Antonio, Texas 78213

EXHIBIT A

**CERTIFICATE OF FORMATION OF
VALLEY RANCH COMMUNITY OWNERS ASSOCIATION, INC.**

[ON FOLLOWING PAGES]

MAY 27 2015

CERTIFICATE OF FORMATION
OF
VALLEY RANCH COMMUNITY OWNERS ASSOCIATION, INC. **Corporations Section**

The undersigned, a natural person, having the capacity of contract and acting as organizer of Valley Ranch Community Owners Association, Inc. (the "Association") under the Texas Business Organizations Code (the "TBOC"), does hereby adopt the following Certificate of Formation of the Association (the "Certificate").

ARTICLE I. NAME

The name of the Association is Valley Ranch Community Owners Association, Inc.

ARTICLE II. NONPROFIT CORPORATION

The filing entity being formed is a nonprofit corporation. No part of the assets or net earnings of the Association shall inure to the benefit of, or be distributable to its members, directors, trustees, officers, or other private persons, except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distribution in furtherance of the purposes set forth in Article IV below. No substantial part of the activities of the Association shall be to carry on of propaganda, or otherwise attempt to influence legislation, and the Association shall not participate in, or other intervene in (including publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of this Certificate, the Association shall not carry on any other activities not permitted to be carried on by an Association exempt from federal income tax under Section 501(c)(4) of the Internal Revenue Code or any corresponding section of any future federal tax code.

ARTICLE III. DURATION

The period of the Association's duration is perpetual.

ARTICLE IV. PURPOSES AND POWERS

The purposes for which the Association is organized are:

1. To promote the health, safety and welfare of the residents in that certain subdivision known as Valley Ranch subdivision located in Bexar County, Texas, as well as all property that may be annexed into the Valley Ranch subdivision (the "Subdivision");
2. To improve and maintain the Common Areas;
3. At the Association's election, to enforce any restrictions governing the Subdivision and any additions thereto as may hereinafter be brought within the jurisdiction of the Association; and
4. For any other lawful purpose.

In order to carry out the aforementioned purposes, the Association will have all those powers, rights, and privileges permitted to nonprofit entities under the TBOC, as it now exists or as it may hereafter be amended, and also may:

1. Exercise all of the powers and privileges and perform all of the duties and obligations of the Association as set forth in the Declaration;
2. Fix, levy, collect and enforce payment by any lawful means of all charges and/or assessments, pursuant to the terms of the Declaration;
3. Pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property by the Association;
4. Cause to be kept a complete record of all its receipts and disbursements hereunder and maintain a statement thereof and a summary of the major activities on an annual basis;
5. Monitor all agents and employees of the Association and to see that their duties are properly performed;
6. 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 (provided, however, that if a conveyance would transfer substantially all of the Association's property, then no such conveyance, sale, dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3rds) of each class of members agreeing to such conveyance, dedication, sale or transfer);
7. Borrow money, and with the assent of two-thirds (2/3rds) of each class of members, mortgage, pledge, deed in trust or hypothecate any or all of the Association's real or personal property as security for money borrowed or debts incurred;
8. Dedicate, sell or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members (provided, however, that if the dedication would transfer substantially all of the Association's property, then no such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3rds) of each class of members agreeing to such dedication, sale or transfer);
9. Participate in mergers and consolidations with any other nonprofit corporation organized for the same or similar purposes or annex additional residential property and common area, provided that any such merger, consolidation or annexation shall have the assent of two-thirds (2/3rds) of each class of members or as may be provided for in the Declaration;
10. Procure and maintain liability insurance upon/for the Board of Directors, its agents and employees, and insurance as deemed appropriate by the Board of Directors upon/for Association

assets;

11. Enter into, make, perform and enforce contracts of every kind and description, and to do all other acts necessary, appropriate or advisable in carrying out any purpose of the Association, including enforcement of the architectural control provisions contained in the Declaration;
12. Provide or contract for services benefiting the Subdivision and/or the members of the Association including, without limitation or obligation, garbage removal and any and all supplemental municipal services as may be necessary or desirable;
13. Contract with other associations, organizations, or groups to provide for the maintenance of property adjacent to or adjoining the Subdivision;
14. Spend money for the improvement or maintenance of property in the vicinity of the Subdivision subject to the Declaration, or adjacent to or adjoining such property;
15. Suspend the rights of any member, their guest or tenants to vote or use the Common Area;
16. Promulgate reasonable rules and regulations and implement fines and/or penalties for violation of said rules and regulations; and
17. Enforce any and all covenants, conditions, restrictions and agreements applicable to the Subdivision including enforcement by fines and/or penalties, and by any other lawful means.

The foregoing enumeration of powers shall, except where otherwise expressed, be in no way limited or restricted by any reference to or inference from the terms or provisions of any other clause, but shall be regarded as independent powers.

ARTICLE V. MEMBERSHIP

The nonprofit corporation shall have members. Every record owner, whether one or more persons or entities of fee simple title in any lot which is subject to the Declaration, including contract sellers, shall be a member of the Association. The foregoing is not intended to 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 VI. VOTING

The Association shall be a membership corporation, without certificates or shares of stock. All Owners, by virtue of their ownership of a Lot in the Property subject to the Declaration, are Members of the Association. The Members shall be divided into two (2) classes and entitled to vote in accordance with the provisions contained in the Bylaws and the Declaration. Every person or entity who is a record owner of any Lot is entitled to membership and voting rights in the Association and shall be a Class A Member with the exception of the Declarant. The Declarant and its designees shall be the Class B Member. Membership is appurtenant to, and inseparable from, ownership of a Lot. Members of either

class of voting membership may vote in person or by proxy executed in writing by the member or the member's attorney-in-fact. Additionally, members of either class of voting membership may vote by mail, facsimile transmission, electronic message, any combination of these methods or other lawful method which the Association deems acceptable.

ARTICLE VII. BOARD OF DIRECTORS

The management of the affairs of the corporation is vested in the Board of Directors (the "Board") pursuant to TBOC § 22.201. The number of directors constituting the initial Board is three (3), and the names and addresses of the persons who are to serve as directors until the first annual meeting of members or until their successors are elected and qualified are as follows:

<u>NAME</u>	<u>ADDRESS</u>
James Kyle	211 N. Loop 1604 E. Ste. 130 San Antonio, Texas 78232
Ian Cude	211 N. Loop 1604 E. Ste. 130 San Antonio, Texas 78232
Kimberly Schneider	211 N. Loop 1604 E. Ste. 130 San Antonio, Texas 78232

The initial Board shall serve until the Control Transfer Date occurs; the "Control Transfer Date" shall mean that point in time when the Declarant, at its sole option, shall cause an instrument transferring control to the Association to be recorded in the Official Public Records of Real Property of Bexar County, Texas. After the Control Transfer Date, the affairs of the Association shall be managed by the Board, which shall consist of three (3) persons, all of whom must be members of the Association. Upon the Control Transfer Date, a new Board of Directors shall be elected.

The Board shall consist of at least three (3) but no more than nine (9) directors, who must be Owners and Members in Good Standing of the Association. Notwithstanding the foregoing, until Class B Membership ceases, directors need not be Owners or Members in Good Standing. Notwithstanding the foregoing, until Class B Membership ceases and directors are elected at the first annual meeting of the members, the three (3) initial directors appointed by Declarant shall so serve.

At the first annual meeting after Bylaws of the Association are adopted and Class B Membership has ceased, the Members will call a meeting to vote for new directors. At such meeting, the Class A Members shall elect one (1) director for a term of one (1) year, one (1) director for a term of two (2) years, and one (1) director for a term of three (3) years. At each annual meeting thereafter, the Members shall elect one (1) director for a term of three (3) years.

Vacancies on the Board will be filled by a majority vote of the remaining Directors. Any Director may be reelected to serve consecutive terms on the Board of Directors.

ARTICLE VIII. WINDING UP AND TERMINATION

The Association may be wound up and terminated pursuant to the TBOC with the assent given in writing and signed by not less than two-thirds (2/3rds) of each class of members. Upon winding up and termination of the Association, other than incident to a merger or consolidation, the assets (if any) of the Association shall be dedicated to a public body or conveyed to a nonprofit corporation with purposes similar to those of the Association.

ARTICLE IX. AMENDMENTS

Amendment of this Certificate shall require the assent of two-thirds (2/3) of the votes of the entire membership of each class of members; provided further, however, that so long as there is Class B Membership, joinder of the Declarant will also be required.

ARTICLE X. REGISTERED AGENT & REGISTERED OFFICE

The registered agent is an individual resident of the state whose name and street address are set forth below:

Devin "Buck" Benson, 2161 NW Military Hwy., Ste. 400, San Antonio, Texas 78213

ARTICLE XI. INDEMNIFICATION

To the fullest extent permitted by Texas statutes, as the same exist or as they may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits broader limitation than permitted prior to such amendment) a director of the Association shall not be liable to the Association for monetary damages for an act or omission in the director's capacity as a director. Any amendment of this Certificate shall be prospective only and shall not adversely offset any limitation on the personal liability of a director of the Association existing at the time of such repeal or amendment.

(a) Subject to the exceptions and limitations contained in Article XII(b) hereof:

(1) Every person who is or has been a director, officer, or managing agent of the Association shall be indemnified by the Association to the fullest extent permitted by law against liability and against all expenses reasonably incurred or paid by him in connection with any demand, claim, action, suit (or threat thereof) or proceeding in which she or he becomes involved as a party or otherwise by virtue of his/her being or having been a director or officer and against amounts paid or incurred by him/her in the settlement thereof; and

(2) The words "claim," "action," "suit," or "proceeding" shall apply to all claims, actions, suits, or proceedings (civil, criminal, or other, including appeals), actual or threatened, made or commenced subsequent to the adoption of this Certificate of Formation; and the words "liability" and "expenses" shall include, without limitation, attorneys' fees, costs, judgments, amounts paid in settlement, fines, penalties, and other liabilities.

(b) No indemnification shall be provided hereunder to a director, officer, or managing agent of the Association:

(1) Against any liability to the Association by reason of willful misfeasance, bad faith, gross negligence, breach of fiduciary duty, criminal misconduct or reckless disregard of the duties involved in the conduct of his/her office; and

(2) With respect to any matter as to which she or he shall have been finally adjudicated not to have acted in good faith.

(c) The rights of indemnification herein provided may be insured against by policies maintained by the Association, shall be severable, shall not affect any other rights to which any director or officer now or hereafter may be entitled, shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors, and administrators of such a person.

(d) Expenses in connection with the preparation and presentation of a defense to any claim, action, suit, or proceeding of the character described in this Article XII may be advanced by the Association before final disposition thereof upon receipt of an undertaking by or on behalf of the director(s), officer(s), or managing agent(s) secured by a surety bond or other suitable insurance issued by a company authorized to conduct such business in the State of Texas, to repay such amount if it is ultimately determined that he or she is not entitled to indemnification under Article XII.

ARTICLE XII. LIABILITY OF THE ASSOCIATION AND ACKNOWLEDGEMENTS

THE ASSOCIATION, ITS BOARD OF DIRECTORS, OFFICERS, MANAGERS, EMPLOYEES, AGENTS AND/OR ITS ATTORNEYS, (COLLECTIVELY, THE "ASSOCIATION AND RELATED PARTIES") SHALL NOT IN ANY WAY BE CONSIDERED AN INSURER OR GUARANTOR OF SECURITY WITHIN THE PROPERTY. NEITHER SHALL THE ASSOCIATION AND RELATED PARTIES BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN.

MEMBERS AND TENANTS, ON BEHALF OF THEMSELVES, ALL OCCUPANTS OF THE LOT OWNED OR BEING LEASED, GUESTS AND INVITEES OF THE MEMBER OR TENANT, AS APPLICABLE, ACKNOWLEDGE THAT THE ASSOCIATION AND RELATED PARTIES DO NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION, BURGLAR ALARM SYSTEMS, ACCESS CONTROL SYSTEMS, PATROL SERVICES, SURVEILLANCE EQUIPMENT, MONITORING DEVICES, OR SECURITY SYSTEMS (IF ANY ARE PRESENT) WILL PREVENT LOSS BY FIRE, SMOKE, BURGLARY, THEFT, HOLD-UP OR OTHERWISE, NOR THAT FIRE PROTECTION, BURGLAR ALARM SYSTEMS, ACCESS CONTROL SYSTEMS, PATROL SERVICES, SURVEILLANCE EQUIPMENT, MONITORING DEVICES OR OTHER SECURITY SYSTEMS WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED.

MEMBERS AND TENANTS, ON BEHALF OF THEMSELVES, ALL OCCUPANTS OF

THE LOT OWNED OR BEING LEASED, THEIR GUESTS AND INVITEES OF THE MEMBER OR TENANT, AS APPLICABLE, ACKNOWLEDGE AND UNDERSTAND THAT THE ASSOCIATION AND RELATED PARTIES ARE NOT AN INSURER AND THAT EACH MEMBER, TENANT, AND OCCUPANT OF ANY LOT ON BEHALF OF THEMSELVES AND THEIR GUESTS AND INVITEES ASSUME THE RISKS FOR LOSS OR DAMAGE TO PERSONS, TO LOTS AND TO THE CONTENTS OF LOTS AND FURTHER ACKNOWLEDGE THAT THE ASSOCIATION AND RELATED PARTIES HAVE MADE NO REPRESENTATIONS OR WARRANTIES, NOR HAS ANY MEMBER OR TENANT ON BEHALF OF THEMSELVES, ALL OCCUPANTS OF THE LOT OWNED OR BEING LEASED, THEIR GUESTS OR INVITEES, AS APPLICABLE, RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OR MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE PROTECTION, BURGLAR ALARM SYSTEMS, ACCESS CONTROL SYSTEMS, PATROL SERVICES, SURVEILLANCE EQUIPMENT, MONITORING DEVICES OR OTHER SECURITY SYSTEMS RECOMMENDED OR INSTALLED OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE PROPERTY.

ARTICLE XIII. BYLAWS

The bylaws of this Association shall be adopted by the Board of Directors of this Association and shall thereafter be amended or altered as set out therein.

ARTICLE XIV. ORGANIZER

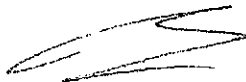
The name and address of the organizer is:

NAME _____ ADDRESS _____

Devin "Buck" Benson 2161 NW Military Hwy, Suite 400
San Antonio, TX 78213

EXECUTED on the 27th day of May, 2015.

ORGANIZER:



Devin "Buck" Benson

PLEASE RETURN TO:
Mr. Devin "Buck" Benson
Pulman, Cappuccio, Pullen, Benson & Jones, LLP
2161 NW Military Hwy, Ste. 400
San Antonio, TX 78213

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GERARD C. RICKHOFF
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COUNTY OF BEXAR
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Gerard C. Rickhoff