

ARTICLES OF INCORPORATION
OF
RANCHOS PROPERTY OWNERS' ASSOCIATION

FILED
 In the Office of the
 Secretary of State of Texas
 AUG 29 1996
 Corporations Section

I, the undersigned natural person of the age of eighteen years or more, acting as the incorporator of a corporation under the Texas Non-Profit Corporation Act, do hereby adopt the following Articles of Incorporation for such corporation

ARTICLE ONE

The name of the corporation is Ranchos Property Owners' Association (hereinafter sometimes referred to as the "Association")

ARTICLE TWO

The corporation is a non-profit corporation

ARTICLE THREE

The period of its duration is perpetual

ARTICLE FOUR

The purpose or purposes for which the corporation is organized are

(a) To administer the Declaration of Covenants, Conditions and Restrictions filed or to be filed for record in the Real Property Records of El Paso County, Texas, as the same may be amended from time to time (the "Declaration") governing the subdivision known as Ranchos del Sol Unit Four (the "Ranchos Unit Four Subdivision"),

(b) To provide for architectural control within Ranchos Unit Four Subdivision, to provide for the acquisition, maintenance, and care of any common facilities and, in general, to perform the duties and powers set forth in the Declaration, including without limitation

(i) Collecting the annual maintenance assessments and any special assessments, to provide for the maintenance, repair, preservation, upkeep and protection of any common facilities, and, in general, 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 any additional Supplemental Declaration, which the Association is not precluded by law to exercise and perform,

(ii) Causing to be enforced the restrictions and covenants imposed upon Ranchos Unit Four Subdivision by the Declaration;

(iii) Acquiring (by gift, deed, lease or otherwise), owning, holding, improving, operating, maintaining, selling, leasing, conveying, dedicating for public

use, otherwise disposing of and/or alienating real and personal property necessary to the conduct of the affairs of the Association and/or as provided in the Declaration,

(iv) Borrowing money, and mortgaging, pledging or otherwise encumbering, alienating or hypothecating any or all of its real or personal property as security for money borrowed or debt incurred to conduct the lawful affairs of the Association, and

(v) Adopting reasonable rules and regulations regarding the use and maintenance of any common facilities

(c) Having and exercising any and all other powers, rights, and privileges which a corporation organized and existing under the Texas Non-Profit Corporation Act may by law now or hereafter have and exercise

PROVIDED, HOWEVER, any of the foregoing provisions of this Article Four to the contrary notwithstanding, the Association is organized and shall be operated exclusively for civic and community service and other non-profit purposes and no part of any net earnings or other assets of this Association shall enure to the benefit of any member of the Association or any owner in Ranchos Unit Four Subdivision.

ARTICLE FIVE

The street address of the initial registered office of the corporation is 1715-B Weston Brent, El Paso, Texas 79935, and the name of its initial registered agent at such address is Warren Kirwin

ARTICLE SIX

The number of Trustees constituting the initial Board of Trustees of the corporation is three, and the names and addresses of the persons who are to serve as the initial Trustees are

<u>Name</u>	<u>Address</u>
Russell Hanson	1715-B Weston Brent El Paso, Texas 79935
Warren Kirwin	1715-B Weston Brent El Paso, Texas 79935
Rick Cordova	1715-B Weston Brent El Paso, Texas 79935

The number of Trustees may be changed in accordance with the Bylaws of the Corporation, so long as there are at least the number required by law

ARTICLE SEVEN

The name and street address of the incorporator is

<u>Name</u>	<u>Address</u>
Warren Kirwin	1715-B Weston Brent El Paso, Texas 79935

ARTICLE EIGHT

Every "Owner" (as that term is defined in the Declaration) shall be a member of the Association. Every member shall have the voting rights set forth in the Declaration and Bylaws of the Association, subject to the provisions hereof. Any member of the Association who fails to qualify as a member in good standing as defined in the Declaration shall not be entitled to vote.

ARTICLE NINE

The conditions and regulations of membership and the designation, rights and privileges of the members shall be determined and fixed by these Articles of Incorporation, by the Bylaws and by the Declaration, provided, however, that no part of the net earnings of the Association shall ever be distributed or shall otherwise enure to the benefit of any member or any class of members of the Association, and further provided, that in the event of the liquidation, dissolution or winding up of the Association, whether voluntary or involuntary, the Trustees of the Association shall dispose of all property and assets of the Association, including without limitation, all undistributed income earned thereon, after the payment, satisfaction and discharge of all liabilities and obligations of the Association or the making of adequate provision therefore in such manner as they, in the exercise of their absolute discretion, and by majority vote shall determine, however, such disposition shall be exclusively in the furtherance of the purposes for which the Association is formed, and the property and the assets of the Association shall not accrue to the benefit of any officer, director, member, or class of members of the Association, or any individual having a personal or private interest in the Association or any organization which engages in any activity in which the Association is precluded from engaging.

ARTICLE TEN

A Subject to the exceptions and limitations contained in Section B below

(1) Every person who is, or has been a director or officer 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 claim, action, suit or proceeding in which he becomes involved as a party or otherwise by virtue of his being or having been a director or officer and against amounts paid or incurred by him in the settlement thereof,

(2) The words "claim", "action", "suit" or "proceeding" shall apply to all claims, action, suits or proceedings (civil, criminal or other, including appeals), actual or threatened, made or commenced, and the words "liability" and "expenses" shall include,

without limitation, attorney's fees, costs, judgments, amounts paid in settlement, fines, penalties, and other liabilities

B No indemnification shall be provided hereunder to a director or officer

(1) Against any liability to the Association or its members by reason of willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his office,

(2) With respect to any matter as to which he shall have been finally adjudicated not to have acted in good faith in the reasonable belief that his action was in the best interest of the Association;

(3) In the event of a settlement unless there has been a determination that such director or officer did not engage in willful misfeasance, bad faith, gross negligence or reckless disregard in the duties involved in the conduct of his office (i) by the court or other body approving the settlement, or (ii) by vote of a majority of the members of the Association; or (iii) by vote of two-thirds of those members of the Board of Trustees of the Association, constituting at least a majority of such Board who are not themselves involved in the claim, action, suit or proceeding, or (iv) by written opinion of independent counsel, provided, however, that any member may, by appropriate legal proceedings, challenge any such determination by the Board of Trustees or by independent counsel

ARTICLE ELEVEN

No seal shall be necessary to attest to any act of the corporation

IN WITNESS WHEREOF, I have hereunto set our hands this 31st day of July, 1996


WARREN KIRWIN, Incorporator