



The State of Texas

Secretary of State

CERTIFICATE OF INCORPORATION

OF

SKY ISLAND HOME OWNERS ASSOCIATION
CHARTER NUMBER 01533092

THE UNDERSIGNED, AS SECRETARY OF STATE OF THE STATE OF TEXAS, HEREBY CERTIFIES THAT THE ATTACHED ARTICLES OF INCORPORATION FOR THE ABOVE NAMED CORPORATION HAVE BEEN RECEIVED IN THIS OFFICE AND ARE FOUND TO CONFORM TO LAW.

ACCORDINGLY, THE UNDERSIGNED, AS SECRETARY OF STATE, AND BY VIRTUE OF THE AUTHORITY VESTED IN THE SECRETARY BY LAW, HEREBY ISSUES THIS CERTIFICATE OF INCORPORATION.

ISSUANCE OF THIS CERTIFICATE OF INCORPORATION DOES NOT AUTHORIZE THE USE OF A CORPORATE NAME IN THIS STATE IN VIOLATION OF THE RIGHTS OF ANOTHER UNDER THE FEDERAL TRADEMARK ACT OF 1946, THE TEXAS TRADEMARK LAW, THE ASSUMED BUSINESS OR PROFESSIONAL NAME ACT OR THE COMMON LAW.

DATED APR. 23, 1999

EFFECTIVE APR. 23, 1999



A handwritten signature in black ink, appearing to read "Elton Bomer". The signature is written in a cursive style with a long, sweeping underline.

Elton Bomer, Secretary of State

ARTICLES OF INCORPORATION

OF

SKY ISLAND HOME OWNERS ASSOCIATION

FILED
In the Office of the
Secretary of State of Texas

APR 23 1999

Corporations Section

We, the undersigned natural persons of the age of twenty-one years or more, which at least two 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

The name of the corporation is SKY ISLAND HOME OWNERS ASSOCIATION.

ARTICLE TWO

The corporation is a non-profit corporation.

ARTICLE THREE

The period of its duration is perpetual.

ARTICLE FOUR

The corporation has been organized to promote the health, safety and welfare of the residents within the below described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association, which property is described as follows:

Sky Island, being a portion of Tract 1A4 and 1B8, A.F. Miller, Survey No. 216, City of El Paso, El Paso County, Texas, according to the map thereof on file in Book 73, Page 20, Plat Records of El Paso County, Texas ("Property")

The corporation has also been organized for the following purposes:

- a. exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in those certain Declaration of Covenants,

Conditions and Restrictions for Sky Island, hereinafter called the "Declaration," applicable to the Property which are recorded in the Office of the El Paso County Clerk, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as fully as if set out at length;

b. Fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to 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 of the Association. All assessments shall be made in accordance with the Declaration for Unit I which are filed for record in the County Clerk's Records, El Paso County, Texas;

c. 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;

d. Borrow money, and with the assent of two-thirds of the members, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

e. Dedicate, sell or transfer all or any part of the medians to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds of the members, agreeing to such dedication, sale or transfer;

f. Participate in mergers and consolidation with other non-profit corporations organized for the same purposes or annex additional residential property and open space, provided that any such merger, consolidation or annexation shall have the assent of two-thirds of the members;

g. Have and to exercise any and all powers, rights and privileges which a corporation organized under the Texas Non-Profit Corporation Act by law may now or hereafter have or exercise.

No part of the net earnings of the corporation shall inure to the benefit of any Director of the corporation, officer of the corporation, 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 shall be entitled to share in the distribution of any of the corporate assets on the dissolution of the corporation.

The corporation shall distribute its income for each taxable year at such time and in such manner as not to become subject to tax on undistributed income imposed by Section 4942 of the Internal Revenue Code of 1986, or corresponding provisions of any subsequent federal tax laws.

The corporation shall not engage in any act of self dealing as defined in Section 4943(c) of the Internal Revenue Code of 1986, or corresponding provisions of any subsequent federal tax laws.

The corporation shall not retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code of 1986, or corresponding provisions of any subsequent federal tax laws.

The corporation shall not make any investments in such manner as to subject it to tax under Section 4944 of the Internal Revenue Code of 1986, or corresponding provisions of any subsequent federal tax laws.

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)(3) of the Internal Revenue Code and its Regulations as they now exist or as they may hereafter be amended, or by an organization, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code and Regulations as they now exist or as they may hereafter be amended.

Upon the dissolution of the corporation or the winding up of its affairs, the assets of the corporation shall be distributed exclusively to charitable, religious, non-profit, scientific, literary or educational organizations which would then qualify under the provisions of Section 501(c)(3) of the Internal Revenue Code and its Regulations as they now exist or as they may hereafter be amended. Any such assets not so disposed of shall be disposed of by the Court of jurisdiction in the County in which the principal office is located, exclusively for such purposes or to such organization as said Court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE FIVE

The street address of the initial registered office of the corporation is 600 Sunland Park Drive, Building 1, Suite 500, El Paso, Texas 79912, and the name of its initial registered agent at such address is Amy B. Schoemaker.

ARTICLE SIX

Every person or entity who is a record owner of a fee simple or undivided fee simple interest in any Lot within the Property, including contract purchasers, 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 SEVEN

The Association shall have two classes of voting members. Voting rights of each class of members are set forth in Article III of the Declaration which is incorporated herein by reference as if set out in full.

ARTICLE EIGHT

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

NAME	ADDRESS
Willis G. Schoemaker	600 Sunland Park Drive Building 1, Suite 500 El Paso, Texas 79912
Amy B. Schoemaker	600 Sunland Park Drive Building 1, Suite 500 El Paso, Texas 79912
Terri Froetchel	600 Sunland Park Drive Building 1, Suite 500 El Paso, Texas 79912

At the first annual meeting, the members shall elect three (3) directors for a term of one (1) year; at each annual meeting thereafter, the members shall elect three (3) directors to a term of one (1) year.

ARTICLE NINE

The name and street address of the incorporator is Francis S. Ainsa, Jr., 5809 Acacia Circle, El Paso, Texas 79912.

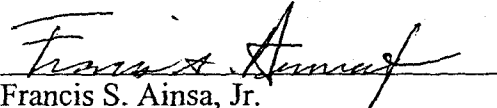
ARTICLE TEN

The Association may be dissolved with assent given in writing and signed by not less than seventy-five (75%) percent of the members.

ARTICLE ELEVEN

Amendments to these Articles shall require the assent given in writing and signed by not less than seventy-five (75%) percent of the members.

EXECUTED this ___ day of November 1998.


Francis S. Ainsa, Jr.