

**ARTICLES OF INCORPORATION
OF
EL PASO STONEGATE HOMEOWNER'S ASSOCIATION II, INC.
A NONPROFIT CORPORATION**

The undersigned natural person of legal age, a citizen of the State of Texas, acting as incorporator of a corporation under the Texas Non-Profit Corporation Act, as set forth in Article 1396-1.01 et seq. of the Texas Revised Statutes, adopt the following articles of incorporation for such corporation:

ARTICLE I

The name of the corporation, referred to in these articles as the association, is El Paso Stonegate Homeowner's Association II, Inc. The association is a nonprofit corporation.

ARTICLE II

A. The specific primary purposes for which the association is formed are to provide for the upkeep maintenance and repair of certain landscaped areas and median areas within a certain subdivided tract of real property described as follows: All of STONE GATE UNIT ONE, an addition to the City of El Paso, County of El Paso, State of Texas as contained in the plat records of the City of El Paso, County of El Paso, State of Texas and other STONE GATE subdivisions if, as and when developed, to promote the health, safety, and welfare of the residents within the above-described subdivision and such additions to it as may hereafter be brought within the jurisdiction of the association for such purposes.

B. In furtherance of such purposes, the association will have power to:

(1) Perform all of the duties and obligations of the association as set forth in a certain declaration of covenants, conditions, and restrictions, referred to in these articles as the declaration,

(2) Affix, levy, and collect all charges and assessments pursuant to the terms of the declaration, and enforce payment of them by any lawful means; and pay all expenses related to such enforcement, 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 on the property of the association;

(3) Acquire (by gift, purchase, or otherwise), own, hold, improve, build on, operate, maintain, convey, sell, lease, transfer, dedicate to public use, or otherwise dispose of real and personal property in connection with the affairs of the association;

(4) Borrow money and, subject to the consent by vote or written instrument of each class of members, mortgage, pledge, convey by deed of trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(5) Dedicate, sell, or transfer all or any part of the common areas to any municipality, public agency, authority, or utility for such purposes and subject to such conditions as may be agreed on by the members;

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

C. The association is organized and will be operated exclusively for the aforementioned purposes. The activities of the association will be financed by assessments on members as provided in the declaration, and no part of any net earnings will inure to the benefit of any member.

ARTICLE III

Every person or entity who is a record owner of a fee or undivided fee interest in any lot which is subject by covenants of record to assessments by the association, including contract sellers,

but excluding persons holding title merely as security for performance of an obligation, will be a member of the association. Membership will be appurtenant to and may not be separated from ownership of a lot which is subject to assessment by the association.

ARTICLE IV

The association will have two classes of voting members as follows:

Class A. Class A members will be all owners with the exception of the Declarant as such term is defined in the declaration, and will be entitled to one vote for each lot owned. Class A members will have no voting rights in the association until all lots in the subdivision and all lots in any additional subdivisions brought within the jurisdiction of the association are sold and transferred by Declarant. When more than one person holds an interest in a given lot, all such persons will be members and the vote for such lot will be exercised as they may determine among themselves. In no event may more than one vote be cast with respect to any lot owned by Class A members.

The Class B member will be Declarant, who will be entitled to exercise one vote for each lot owned. The Class B membership will cease when all lots in the subdivision and all lots in any additional subdivision brought within the jurisdiction of the association are sold and transferred by Declarant.

ARTICLE V

The number of directors constituting the initial board of directors of the association is seven (7), and the names and addresses of the persons who are to serve as the initial directors are:

Name	Address
Albert Porter	465 Resler Drive, El Paso, Texas 79912
Carlos Austin	1375 Loma Verde, El Paso, Texas 79936

Don Ward, Jr.

11200 Montwood Dr., El Paso, Texas 79936

Pat Woods

10647 Vista Del Sol, Suite E, El Paso, Texas
79935

Jack Winton

6440 Escondido Drive, El Paso, Texas
79912

Naj Hajjar

7100 Westwind, Suite 200, El Paso, Texas
79912

Robert C. Baeza

1655 Mosswood St., El Paso, Texas 79935

ARTICLE VI

The street address of the initial registered office of the association is Patrick J. Woods, and the name of its initial registered agent at such address is 10657 Vista Del Sol, Suite E, El Paso, Texas 79935.

ARTICLE VII

The period of duration of the association is perpetual.

ARTICLE VIII

The association will be dissolved and its affairs wound up by two-thirds vote of each class of voting members or when the objects for which the association is organized have been fully accomplished.

ARTICLE IX

The name and street address of each incorporator is: Tony R. Conde, Jr., 2244 Trawood, Suite 206, El Paso, Texas 79935.

Executed at El Paso County, Texas, on this the 24th day of May, 1999.

