

ARTICLES OF INCORPORATION
OF
VILLA SERENA ASSOCIATION, INC.

FILED
In the Office of the
Secretary of State of Texas

NOV 02 1981

CLERK I A
Corporation Division

In compliance with the requirements of the Texas Non-Profit Corporation Act, the undersigned, all of whom are residents of El Paso County, Texas, and all of whom are more than 21 years of age, have this day voluntarily associated themselves together for the purpose of forming a corporation not for profit and do hereby certify:

ARTICLE I

NAME - NONPROFIT

The name of the corporation is VILLA SERENA ASSOCIATION, INC., hereinafter called the "Association." This Association shall be a nonprofit corporation under the laws of the State of Texas.

ARTICLE II

REGISTERED OFFICE AND REGISTERED AGENT

The registered office of the Association is 1718 Couer D'Alene, El Paso, Texas 79922 and the registered agent at such office is Kendall Bond.

ARTICLE III

PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the residence Units and Common Area within that certain tract of property described as:

All of Lots 1 to 9, inclusive and Lots 17 to 25, inclusive, in Block 38, HIGHLAND PARK ADDITION, an Addition to the City of El Paso, El Paso County, Texas, together with the closed alley between Lots 1 through 8, inclusive and Lots 17 through 24, inclusive, in said Block.

and to promote the health, safety and welfare of the residents within the above described property and any additions thereto as may hereinafter be brought within the jurisdiction of this Association for this purpose to:

(a) Exercise all of the powers and privileges, duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions, Restrictions, Easements and Liens, hereinafter called the "Declaration," applicable to the property and recorded or to be recorded in the Office of the County Clerk of El Paso County, Texas, as the same may be amended from time to time as therein provided;

(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;

(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 (2/3) of each class of 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 Common Area to any public agency, authority, or utility or 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 (2/3) of each class of members, agreeing to such dedication, sale or transfer;

(f) Grant, by action of the Board of Directors, easements and licenses over the Common Area.

(g) Participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property and Common Area.

(h) 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.

ARTICLE IV

MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Unit 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 Unit which is subject to assessment by the Association.

ARTICLE V
VOTING RIGHTS

Section 1. Every Owner of a Unit which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownerships of any Unit which is subject to assessment.

Section 2. The Association shall have two (2) classes of voting membership:

Class A. Class A members shall be all Owners, with the exception of the Declarant.

(a) Class A members shall be entitled to one (1) vote for each Unit owned.

(b) When more than one (1) person holds an interest in any Unit, all such persons shall be members. The vote for such Unit shall be exercised as they among themselves determine. In no event shall more than one (1) vote be cast with respect to any Unit.

(c) The vote cast by Absentee Owners on any one matter shall not exceed forty-nine percent (49%) of the total vote cast. Absentee Owners shall mean those Owners who do not physically reside in the Unit which they own. If a Unit is owned by more than one (1) person, and at least one (1) of the Owners physically resides in the Unit in which he owns an interest, then the vote cast for that Unit shall not be considered as being cast by an Absentee Owner. The Declarant, its successors or assigns, shall not be considered an Absentee Owner. These rules shall apply to all matters voted upon by the Association membership.

Class B. The Class B member shall be the Declarant and shall be entitled to three (3) votes for each Unit owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or

(b) On December 31, 1984.

Cumulative voting is not permitted.

"Declarant" shall mean and refer to KENDALL BOND BUILDER, INC., its successors or assigns if such successors or assigns are merchant home builders who acquire real property sufficient for the construction of more than one Unit from the Declarant with the purpose of constructing permanent improvements thereon.

ARTICLE VI

BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of three (3) Directors, who need not be members of the Association. The number of directors may be changed by amendment of the Bylaws of the Association, but in no event shall the number of directors be less than three. The names and addresses of the persons who are the initial directors of the corporation and who shall act until the selection of their successors are:

Kendall Bond	1718 Couer D'Alene, El Paso, Texas 79922
George D. Thomas	1530 Lee Trevino, Suite E, El Paso, Texas 79936
James P. Sorenson, Jr.	1530 Lee Trevino, Suite I, El Paso, Texas 79936

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 each class of members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created or to any nonprofit corporation, association, trust or other organization.

ARTICLE VIII

DURATION

The corporation shall exist perpetually.

ARTICLE IX

AMENDMENTS

Amendment of these Articles shall require the assent of seventy-five percent (75%) of each class of members.

ARTICLE X

FHA/VA APPROVAL

As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties, mergers and consolidations, mortgaging of the Common Area, dedication of the Common Area, dissolution, and amendment of these Articles.

ARTICLE XI

INCORPORATORS

The names and addresses of the incorporators are as follows:

Kendall Bond	1718 Couer D'Alene, El Paso, Texas 79922
George D. Thomas	1530 Lee Trevino, Suite E, El Paso, Texas 79936
James P. Sorenson, Jr.	1530 Lee Trevino, Suite I, El Paso, Texas 79936

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Texas, we, the undersigned, constituting the incorporators of this Association, have executed these Articles of Incorporation on this 30 day of OCTOBER, 1981.


KENDALL BOND


GEORGE D. THOMAS


JAMES P. SORENSON, JR.

THE STATE OF TEXAS §
§
COUNTY OF EL PASO §

I, Helen Lopez, A Notary Public, do hereby certify that on this, the 30 day of October, 1981, personally appeared before me KENDALL BOND, who being by me first duly sworn, declared that he is the person who signed the foregoing instrument as an incorporator, and that the statements contained therein are true.

Helen Lopez
NOTARY PUBLIC, In and For
El Paso County, Texas

My commission expires:

~~HELLEN LOPEZ, Notary Public~~
In and for the State of Texas
My commission expires July 12, 1985

THE STATE OF TEXAS §
§
COUNTY OF EL PASO §

I, Helen Lopez, A Notary Public, do hereby certify that on this, the 30 day of October, 1981, personally appeared before me GEORGE D. THOMAS, who being by me first duly sworn, declared that he is the person who signed the foregoing instrument as an incorporator, and that the statements contained therein are true.

Helen Lopez
NOTARY PUBLIC, In and For
El Paso County, Texas

My commission expires:

~~HELLEN LOPEZ, Notary Public~~
In and for the State of Texas
My commission expires July 12, 1985

THE STATE OF TEXAS §
§
COUNTY OF EL PASO §

I, Helen Lopez, A Notary Public, do hereby certify that on this, the 30 day of October, 1981, personally appeared before me JAMES P. SORENSON, JR., who being by me first duly sworn, declared that he is the person who signed the foregoing instrument as an incorporator, and that the statements contained therein are true.

Helen Lopez
NOTARY PUBLIC, In and For
El Paso County, Texas

My commission expires:

~~HELLEN LOPEZ, Notary Public~~
In and for the State of Texas
My commission expires July 12, 1985