

ARTICLES OF INCORPORATION

OF

CORONADO TOWNHOUSE ASSOCIATION, INC.

FILED
In the Office of the
Secretary of State of Texas

JUL 10 1972

Bill Kimbrough
Deputy Director, Corporation Division

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

21 Mrs. H

ARTICLE I

NAME

The name of the corporation is CORONADO TOWNHOUSE ASSOCIATION, INC., hereinafter called the "Association."

ARTICLE II

NON-PROFIT CORPORATION

The Association is a non-profit corporation.

ARTICLE III

DURATION

The Association shall exist perpetually.

ARTICLE IV

REGISTERED OFFICE AND AGENT

The street address of the initial registered office of the Association is Suite 9-D, El Paso National Bank Building, El Paso, Texas 79901, and the name of its initial registered agent at such address is John D. Mason.

ARTICLE V

PURPOSES 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 Lots and Common Area within that certain tract of land (hereinafter called the "Property") located in El Paso County, Texas, described as follows, to-wit:

BEGINNING at a point located South 12°32' West a distance of 740.57 feet, then East a distance of 77.50 feet from the point of intersection of the center line of Resler Drive with the South right-of-way line of Mesa Avenue (U. S. Highway 80) in El Paso, El Paso County, Texas:

THENCE East a distance of 713.39 feet;

THENCE North a distance of 81.60 feet;

THENCE East a distance of 698.48 feet;

THENCE South 51°26' West a distance of 173.00 feet;

THENCE North 79°05' West a distance of 122.03 feet;

THENCE South 37°02' West a distance of 480.00 feet;

THENCE South 11°19' West a distance of 158.63 feet;

THENCE North 74°21' West a distance of 260.00 feet;

THENCE South 15°39' West a distance of 100.00 feet;

THENCE North 45°46' West a distance of 180.00 feet;

THENCE North 65°15' West a distance of 188.00 feet;

THENCE North 72°10'10" West a distance of 350.02 feet;

THENCE northerly along a curve to the left an arc distance of 35.00 feet; curve having a radius of 1280.00 feet, a central angle of 1°34', and a long chord bearing North 13° 19' East a distance of 35.00 feet;

THENCE North 12°32' East a distance of 212.02 feet;

THENCE northeasterly along a curve to the right an arc distance of 27.04 feet to the point of beginning; curve having a radius of 20.00 feet, a central angle of 77°28' and a long chord bearing North 51°16' East a distance of 25.03 feet;

DESCRIBED parcel lies in the A. F. Miller Survey No. 213 of said El Paso County, Texas, and contains 496,666.31 square feet equal to 11.402 acres.

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

(a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions, hereinafter called the

"Declaration," applicable to the Property and recorded or to be recorded in the office of the County Clerk, El Paso County, Texas and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth 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;

(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, 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 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 (2/3) of each class of members, agreeing to such dedication, sale or transfer;

(f) participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional residential property and Common Area, provided that any such merger, consolidation or annexation, except such annexation as provided for in Article X,

Section 4B of the Declaration, shall have the assent of two-thirds (2/3) of each class of members;

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

ARTICLE VI

MEMBERSHIP

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 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 lot which is subject to assessment by the Association.

ARTICLE VII

VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Declarant (as defined in the Declaration) and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member(s) shall be the Declarant who shall be entitled to three (3) votes for each Lot 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 July 31, 1973.

ARTICLE VIII

BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of five (5) Directors, who need not be members of the Association. The number of directors may be changed by amendment of the By-Laws of the Association. The names and addresses of the persons who are to act in the capacity of directors until the selection of their successors are:

<u>NAME</u>	<u>ADDRESS</u>
John D. Mason	925 Broadmoor El Paso, Texas 79912
Morris H. Sutton	200 Stratus El Paso, Texas 79912
George H. Jackson	6373 Los Robles El Paso, Texas 79912
Dan C. Hovious	745 Rinconada El Paso, Texas 79912
James F. Garner	142 Clairemont El Paso, Texas 79912

At the first annual meeting the members shall elect one director for a term of one year, two directors for a term of two years and two directors for a term of three years; and at each annual meeting thereafter the members shall elect a director or directors, as the case may be, for a term of three (3) years to replace the outgoing director or directors, as the case may be.

ARTICLE IX

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, both

real and personal, 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. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE X

AMENDMENTS

Amendment of these Articles shall require the assent of seventy-five (75%) percent of the entire membership.

ARTICLE XI

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 Common Area, dedication of Common Area, dissolution and amendment of these Articles.

ARTICLE XII

BORROWINGS

Any indebtedness or liability, direct or contingent, must be authorized by an affirmative vote of a majority of the votes cast by the members of the Board of Directors at a lawfully held meeting. The highest amount of indebtedness or liability, direct or contingent, to which this corporation may be subject at any one time shall not exceed one hundred fifty (150%) percent of its income for the previous fiscal year, except that additional amounts may be authorized by an affirmative vote of two-thirds (2/3) of the members.

ARTICLE XIII

NOTICE AND QUORUM

For those actions which, by the provisions of preceding

Articles, require a vote of the members, there must be a duly held meeting. Written notice, setting forth the purpose of the meeting shall be given to all members not less than 10 days nor more than 50 days in advance of the meeting. The presence of members or of proxies entitled to cast sixty (60%) of the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth above, and the required quorum at such subsequent meeting shall be one-half of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. In the event that two-thirds (2/3) of the Class A membership or two-thirds (2/3) of the Class B membership, if any, are not present in person or by proxy, members not present may give their written assent to the action taken thereat.


ARTICLE XIV

INCORPORATORS

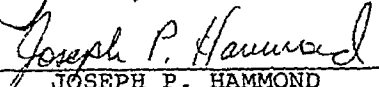
The name and address of each incorporator is:

<u>NAME</u>	<u>ADDRESS</u>
James F. Garner	2000 State National Plaza El Paso, Texas 79901
Joseph P. Hammond	2000 State National Plaza El Paso, Texas 79901
Robert B. Zaboroski	2000 State National Plaza El Paso, Texas 79901

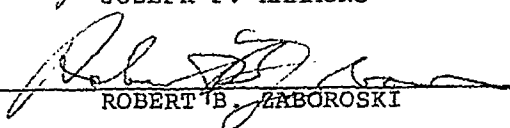
IN WITNESS WHEREOF, we have hereunto set our hands, this 5th day of July, 1972.



JAMES F. GARNER



JOSEPH P. HAMMOND



ROBERT B. ZABOROSKI

THE STATE OF TEXAS)
)
COUNTY OF EL PASO)

I, GEORGIANN PITTMAN, a Notary Public, do hereby certify that on this 5th day of July, 1972, personally appeared before me, JAMES F. GARNER, JOSEPH P. HAMMOND and ROBERT B. ZABOROSKI, who each being by me first duly sworn, severally declared that they are the persons who signed the foregoing document as incorporators, and that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year above written.

GEORGIANN PITTMAN, Notary Public
in and for the County of El Paso, Texas
My commission expires June 1, 1973.

Georgiann Pittman
Notary Public in and for
El Paso County, Texas

El Paso, Texas
July 5, 1972

Secretary of State
State of Texas
Austin, Texas 78711

Dear Sir:

Coronado Townhouses, Inc. hereby gives its consent to Coronado Townhouse Association, Inc. to form a Texas non-profit corporation under the name Coronado Townhouse Association, Inc.

CORONADO TOWNHOUSES, INC.

By John D. Mason
John D. Mason, President