

FILED
In the Office of the
Secretary of State of Texas

APR 10 1997

Corporations Section

**ARTICLES OF INCORPORATION
OF
VILLAS AT REDLAND RANCH HOMEOWNERS ASSOCIATION, INC.**

I, the undersigned, a natural person of the age of twenty-one (21) years or more, a citizen of the State of Texas, acting as incorporator of a corporation under the Texas Nonprofit Corporation Act, do hereby adopt the following Articles of Incorporation for such Corporation:

ARTICLE I. NAME

The name of the Corporation is VILLAS AT REDLAND RANCH HOMEOWNERS ASSOCIATION, INC., hereinafter sometimes called the "Corporation" or the "Association."

ARTICLE II. NONPROFIT

The Corporation is a nonprofit corporation.

ARTICLE III. DURATION

The period of its duration is perpetual.

ARTICLE IV. PURPOSES AND POWERS

The purpose or purposes for which the Corporation is organized are to promote the recreation, health, safety and welfare of the residents in the Subdivision (as hereinafter defined), including, but not limited to the improvement and maintenance of the common area serving the Subdivision, and at the Association's election to the enforcement of any restrictions governing such Subdivision which is known as REDLAND RANCH UNIT 5, such Subdivision being described on a plat recorded in Volume 9535, Page 110, of the Deed and Plat Records of Bexar County, Texas (the "Subdivision"), and any additions thereto as may hereafter be brought within the jurisdiction of this Association, and 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 Real Property Records of Bexar 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, as well as that which may be set forth in any related Declaration of Use Restrictions affecting the Subdivision.

(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 by 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 (as that term is defined in the Declaration) 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 nonprofit corporations organized for the same purposes or annex additional residential property and common area, provided that any such merger, consolidation or annexation shall have the assent of two-thirds (2/3) of each class of members or as may be provided for in said Declaration.

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

ARTICLE V. MEMBERSHIP

Every record owner, whether one or more persons or entities of fee simple title 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 VI. VOTING RIGHTS

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 and shall be entitled to one (1) 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 (1) vote be cast with respect to any lot.

CLASS B. The Class B member(s) shall be the Declarant (as defined in the Declaration), and 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 January 1, 2005.

ARTICLE VII. 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 Bylaws of the Association. Notwithstanding the foregoing, until the election of Directors at the first annual meeting of the members, the three (3) initial Board of Directors shall so serve.

At the first annual meeting, the Class A members shall elect two (2) Directors for a term of one (1) year and the Class B member(s) shall elect three (3) Directors for a term of one (1) year; and at each annual meeting thereafter, the same procedure shall be followed until there are no longer any Class B member(s); and at such time the Class A members shall elect the entire Board of Directors as follows: three (3) directors shall be elected for a term of one (1) year each; and two (2) directors shall be elected for a term of two (2) years each; thereafter, all directors shall be elected for two (2) year terms.

ARTICLE VIII. 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. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE IX. AMENDMENTS

Amendment of these Articles shall require the assent of three-fourths (3/4) of the votes of the entire membership of each class of members; provided further, however, that so long as there is Class B membership, the approval of the VA or HUD must be obtained for any amendments hereto, annexation of additional properties, mortgaging or dedication of the common area or dissolution of the Corporation.

ARTICLE X. REGISTERED AGENT

The street address of the initial registered office of the Corporation is 1848 Lockhill-Selma, Suite 102, San Antonio, Texas 78213, and the name of its registered agent at such address is Louis M. Christa.