

ARTICLES OF INCORPORATION
OF
COUNTRY VILLAS HOMEOWNERS' ASSOCIATION

We, the undersigned, natural persons of the age of twenty one years or more, 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 a non-stock, non-profit corporation:

ARTICLE ONE

Definitions

The following words when used in these Articles of Incorporation, shall have the following meanings:

(a) "Corporation" shall mean and refer to the corporation incorporated hereunder.

(b) "Properties" shall mean and refer to the land and premises situated in Dallas county, Texas, and more particularly described by notes and bounds on Exhibit "A" attached hereto, and such additions thereto as may hereafter be brought within the jurisdiction of this Corporation by annexation as provided in the Declaration (as hereinafter defined).

(c) "Declaration" shall mean and refer to that certain Declaration of covenants. Conditions and Restrictions applicable to the Properties and recorded or to be recorded in the office of the county clerk of Dallas County, Texas, and as the same may be amended or supplemented from time to time as therein provided.

(d) "Common Properties" shall mean and refer to those areas of land designated as Common Properties on any recorded subdivision plat of the Properties and intended to be devoted to the common use and enjoyment of the Members (as hereinafter defined) of the Corporation, together with any and all improvements that are now or may hereafter be construed thereon.

(e) "Lot" shall mean and refer to any plot or tract of land shown upon any recorded subdivision map of the Properties, as amended from time to time, which is designated as a lot therein and which is or is to be improved with a residential dwelling.

(f) "Owner" shall mean and refer to every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by virtue of the Declaration to assessment by the Corporation, including contract sellers, but excluding persons or entities who hold an interest merely as security for the performance of an obligation.

(g) "Members" shall mean and refer to each Owner as provided herein in Article Eight and Article Nine.

(h) "Declarant" shall mean and refer to Eagle Development of Texas, Inc., its successors and any assignee who shall receive by assignment from the said Eagle Development of Texas, Inc., all, or a portion, of its rights hereunder as such Declarant, by an instrument expressly assigning such rights as Declarant to such assignee.

(i) "PUD" shall mean and refer to this Planned Unit Development which consists of separately owned lots with contiguous or noncontiguous areas or facilities owned by the Association in which the owners of the lots have a membership interest. Title to the real estate under the dwelling units is held by the individual lot owners and not by the Association. The Association has title to and administers the common areas, and levies monthly charges against the lot owners for common area expenses. Membership in the Association cannot be severed from the ownership of an individual lot.

(j) "Unit" is the individual home, on its own lot, title to which is in the individual lot owner.

ARTICLE TWO

The name of the corporation is COUNTRY VILLAS HOMEOWNERS' ASSOCIATION.

ARTICLE THREE

This Corporation 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 and to promote the health, safety and welfare of the residents of the Properties, and to preserve the beautification of the Properties, and for these purposes:

(a) Subject to the other provisions of these Articles of Incorporation, to borrow money and the 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 Corporation;

(b) To maintain unkept lands or trees;

(c) To exercise all of the powers and privileges and to perform all of the duties and obligations of the Corporation as set forth in the Declaration, and reference to the Declaration is hereby made for all purposes;

(d) To fix, levy, collect and enforce payment by any lawful means, all charges or assessments provided for by the terms of the Declaration and to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Corporation, including any licenses, taxes or governmental charges which may be levied or imposed against the Common Properties or any other property owned by the Corporation;

(e) Insofar as permitted by law, to do any other thing that, in the opinion of the Board of Directors, will promote the common benefit and enjoyment of the residents of the Properties: provided, that no part of the net earnings of the Corporation shall inure to the benefit of or be distributable to any member, director or officer of the Corporation, or any private individual

(except that reasonable compensation may be paid for services rendered to or for the Corporation effecting one or more of its purposes), and no Member, director or officer of the Corporation, or any private individual, shall be entitled the share in the distribution of any of the corporate assets on dissolution of the Corporation; and provided, further, that no part of the activities of the Corporation shall be carrying on propaganda in order to influence legislation, or otherwise attempting to influence legislation, or otherwise attempting to influence legislation, or participating or intervening in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office.

ARTICLE FOUR

The address of the initial registered office of the Corporation is 2708 Meadowstone Court, Carrollton, Texas 75006 and the name of its initial registered agent at such address is M. W. Pollock.

ARTICLE FIVE

The period of duration of the Corporation is perpetual.

ARTICLE SIX

The business and affairs of the Corporation shall be managed by a Board of three (3) Directors, who need not be Members of the Corporation. The number of Directors may be changed by amendment of the By-Laws of the Corporation, but shall in no event be less than three (3) no more than nine (9). The names and addresses of the persons who are to act initially in the capacity of Directors until the selection of their successors are:

NAME	ADDRESS
WALTER R. GAYNER	4262 Campus Drive Newport Beach, CA 92660
M. W. POLLOCK	2708 Meadowstone Court Carrollton, TX 75006
G. L. HOSBURG	4262 Campus Drive Newport Beach, CA 92660

ARTICLE SEVEN

The name and street address of each Incorporator is:

NAME	ADDRESS
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WILLIAM F. LOVELACE	3318 Hwy 67 East. #201B Mesquite, TX 75150
TED B. LYON	3434 Hwy 67 East. #101 Mesquite, TX 75150
JAMES P. WHEELER	3434 Hwy 67 East. #101 Mesquite, TX 75150

ARTICLE EIGHT

Every person or entity who is now or hereafter becomes an Owner shall automatically be a Member of the Corporation, and membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Corporation.

ARTICLE NINE

The Corporation shall have two classes of voting membership:

CLASS A. Class A Members shall be all Members with the exception of Declarant. Class A Members shall be entitled to one vote for each Lot in which they hold the interest required for membership. When more than one person holds such interest or interests in any Lot, all such persons shall be Members, and 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 such Lot.

CLASS B. The Class B Member(s) shall be Declarant. The Class B Members(s) shall be entitled to three (3) votes for each Lot in which it holds the interest required for membership. When the total votes outstanding in the Class A membership equals the total votes outstanding in the Class B membership, then the Class B membership shall cease and be converted into Class A membership. Notwithstanding any other provision of this Article, from and after May 1, 1980, the Class B Members(s) shall be entitled to only one vote for each Lot in which it holds the interest required for membership.

ARTICLE TEN

When the Declaration requires that certain additions to the Properties be approved by this Corporation, such approval must be given by the Members as provided in Article Sixteen hereof.

ARTICLE ELEVEN

To the extent permitted by law, the Corporation may participate in mergers and consolidations with other non-profit corporations organized for the same purpose, PROVIDED that any such merger or consolidation must first have the assent of the Members as provided in Article Fifteen hereof.

ARTICLE TWELVE

The corporation shall have power to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, PROVIDED that any such mortgage must first have the assent of the Members as provided in Article Fifteen hereof.

ARTICLE THIRTEEN

The corporation shall have power to dedicate, sell or transfer all or any part of the common Properties to any public agency, authority or utility for public use, PROVIDED that no such dedication, sale or transfer shall be effective unless it shall have been assented to by the members as provided in Article Fifteen in accordance with the approval of the holders of first lien mortgages on PUD Units as provided in Article Twelve hereof.

ARTICLE FOURTEEN

The Corporation may be dissolved only with the assent of the Members as provided in Article Fifteen hereof and corporation must also obtain prior written consent from the City of Carrollton, Texas prior to dissolution.

ARTICLE FIFTEEN

(a) Subject to the provisions of Paragraph (c) of the Article, any action described in Article Tee, Article Eleven, Article Twelve, Article Thirteen, Article Fourteen and/or Article Fifteen hereof shall require the assent of two-thirds (2/3) of each class of Members who are voting in person or by proxy at a meeting duly called for that purpose, written notice of which shall be given to all Members at least fifteen (15) days in advance of the date appointed for the meeting. The notice shall set forth the purpose of such meeting. Further, the provisions of this Article as they relate to dissolution shall also require the prior written consent of the city of Carrollton, Texas.

(b) The quorum required for any action referred to in Paragraph (a) of this Article shall be as follows: At the first meeting called, the presence at the meeting of Members, or of proxies, entitled to cast sixty percent (60%) of the votes of each class of membership shall constitute a quorum. If a quorum is not present at the first meeting, a second meeting may be called, subject to the notice requirement hereinabove set forth, and a quorum at such second meeting shall be one-half (1/2) of the required quorum at the preceding meeting; provided, however, that if a quorum is not present at the first meeting, the second meeting shall be held within sixty (60) days following the first meeting.

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