

5298
wm#1

Forney 1x
75126

ARTICLES OF INCORPORATION
OF

FILED
In the Office of the
Secretary of State of Texas

AUG 02 2001

WINDMILL FARMS ASSOCIATION PHASE 1, INC. Corporations Section

The undersigned natural person of the age of eighteen (18) years or more, acting as an incorporator of a corporation under the Texas Non-Profit Corporation Act, hereby adopts the following Articles of Incorporation for said corporation:

ARTICLE ONE

NAME

The name of the corporation is WINDMILL FARMS ASSOCIATION PHASE 1, INC. (the "Association").

ARTICLE TWO

NON-PROFIT CORPORATION

The Association is a non-profit corporation.

ARTICLE THREE

DURATION

The period of the Association's duration is perpetual.

ARTICLE FOUR

PURPOSES

The Association is organized for the purpose of managing, maintaining and repairing the Common Areas within that certain tract of real property located in Kaufman County, Texas, containing approximately 220.712 acres that was platted by Leman Development, Ltd., a Texas limited partnership (the "Declarant") as "Windmill Farms Phase 1A, 1B & 1C", and additions thereto, that are or will become subject to the Declaration (collectively, the "Property"). The Association is also

organized for the purpose of administering and enforcing the covenants, conditions, restrictions, assessments, charges and liens set forth in the Declaration of Covenants, Conditions and Restrictions for Windmill Farms, Phase 1, that was executed by the Declarant and filed in Book 1738, Pages 171 - 199 of the Real Property Records of Kaufman County, Texas (the "Declaration"), as amended from time to time. The terms that are defined in the Declaration, as amended, shall have the same meanings when used in these Articles of Incorporation.

ARTICLE FIVE

POWERS

In order to accomplish its purposes, the Association shall have the authority to take any action that the Association deems to be necessary, appropriate or convenient including, but not limited to, the following powers:

- (1) Exercise all of the powers and privileges and perform all of the duties and obligations of the Association that are set forth in the Declaration, as amended from time to time, which Declaration is incorporated herein for all purposes;
- (2) Fix, levy, collect and enforce payment by any lawful means of all assessments and charges pursuant to the Declaration; to pay all expenses in connection therewith and all expenses incident to the performance of the purposes of the Association, including all taxes or assessments which may be levied or imposed against the Common Areas, if any;
- (3) Purchase, receive, lease or otherwise acquire, own, hold, improve, use, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the purposes of the Association subject to the limitations that are set forth in the Declaration;
- (4) Borrow money and mortgage, pledge or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

- (5) Provide general sanitation, cleanliness, maintenance and upkeep of the Common Areas pursuant to the Declaration;
- (6) Enter into and perform contracts and exercise all powers which may be necessary or convenient to the operation, management, maintenance and administration of the affairs of the Association in accordance with the Declaration;
- (7) Promote the health, safety and welfare of the residents within the Property; and
- (8) Have and exercise any and all powers, rights and privileges which a corporation organized and existing under the Texas Non-Profit Corporation Act may now or hereafter have or exercise.

ARTICLE SIX

RESTRICTIONS AND REQUIREMENTS

The Association is a non-profit corporation which has been organized and shall be operated solely and exclusively for the purposes that are specified in Article Four. No part of the Association's property or earnings shall ever inure (other than by acquiring, constructing or providing management, maintenance and care of the Association's property and other than by a rebate of excess membership dues, fees or assessments) to the benefit of any Member, Director, Officer or employee of the Association. No Member, Director, Officer or employee shall ever receive or be lawfully entitled to receive any profit from the operations of the Association.

The Association shall not pay or distribute any dividends or other income to its Members, Directors or Officers or otherwise accrue distributable profits or permit the realization of private gain. The Association shall have no power to take any action that is prohibited by the Texas Non-Profit Corporation Act. The Association shall not have the power to engage in any activities that are not in furtherance of the purposes that are specified in Article Four. Nothing herein shall prevent the payment to its Members, Directors and Officers of reasonable compensation for services rendered and the reimbursement to its Members, Directors and Officers

of reasonable expenses that are incurred in connection with the Association's affairs.

The Association shall have no power to take any action that would violate the requirements for a tax exemption under Section 528 of the Internal Revenue Code of 1986, as amended.

ARTICLE SEVEN

MEMBERSHIP

Each person or legal entity who owns a fee or undivided fee interest in a Lot which is part of the Property, including homebuilders and contract sellers, shall be a Member of the Association. Persons or entities who hold an interest in a Lot merely as security for the performance of an obligation shall not be Members of the Association; provided, however, that the purchaser at a foreclosure sale or trustee's sale shall be a Member of the Association. Membership shall be appurtenant to and shall not be separated from ownership of any Lot which is a part of the Property.

ARTICLE EIGHT

VOTING RIGHTS

The Association shall have the following two (2) classes of voting membership to be designated, respectively, as Class A and Class B:

(A) Class A. The Class A Members shall be all Lot owners, with the exception of the Declarant. Class A Members shall be entitled to one (1) vote for each Lot owned. When two (2) or more persons or entities own undivided interests in any Lot, all such persons or entities shall be Class A Members of the Association, but the vote for that Lot shall be exercised as the owners of the Lot shall among themselves determine. In no event shall more than one (1) vote be cast with respect to any Lot.

(B) Class B. The Class B Member shall be the Declarant, which shall be entitled to ten (10) votes for each Lot owned by it. The Declarant shall have Class B Membership status until December 31, 2021. Thereafter, the Class B Member shall be entitled to One (1) vote for each Lot owned by it.

ARTICLE NINE

INITIAL REGISTERED OFFICE AND AGENT

The street address of the initial Registered Office of the Association is 5001 LBJ Freeway, Suite 830 in Dallas, Dallas County, Texas 75244. The name of the Association's initial Registered Agent at that address is James A. Siepiela.

ARTICLE TEN

BOARD OF DIRECTORS

The affairs of the Association shall be managed by the Board of Directors. The qualifications, manner of selection, duties, terms and other matters relating to the Board of Directors shall be provided in the Bylaws of the Association.

The number of Directors of the Association shall be fixed by the Bylaws of the Association but shall not be less than the number that are required by the Texas Non-Profit Corporation Act. The initial Board of Directors of the Association shall consist of three (3) persons. The names and addresses of the persons who shall serve as the initial Directors of the Association are as follows:

	<u>Name</u>	<u>Address</u>
(1)	JAMES A. SIEPIELA	5001 LBJ FREEWAY - SUITE 830 DALLAS, TEXAS 75244
(2)	GREGORY L. RICH	5001 LBJ FREEWAY - SUITE 830 DALLAS, TEXAS 75244
(3)	J. RANDALL BARNETT	5001 LBJ FREEWAY - SUITE 830 DALLAS, TEXAS 75244

ARTICLE ELEVEN

DISSOLUTION

The Association may be dissolved in accordance with the provisions of the Texas Non-Profit Corporation Act. 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 body or conveyed to a non-profit organization with similar purposes.

ARTICLE TWELVE

INCORPORATOR

The name and address of the Incorporator are as follows:

Bruce W. Bringardner
Moseley & Standerfer, L.L.P.
3878 Oak Lawn Avenue - 4th Floor
Dallas, TX 75219

ARTICLE THIRTEEN

LIMITATION ON LIABILITY OF DIRECTORS

No Director shall be liable to the Association or its Members for monetary damages for an act or omission in the Director's capacity as a Director except to the extent otherwise provided by a statute of the State of Texas.

ARTICLE FOURTEEN

INDEMNIFICATION

The Association shall indemnify a person who was, is or is threatened to be made a named defendant or respondent in litigation or other proceedings because the person is or was a Director, Officer, employee or agent of the Association, as provided in the Bylaws of the Association.

**ARTICLE FIFTEEN
FHAVA APPROVAL**

So 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: (i) annexation of additional properties; (ii) mergers and consolidations; (iii) mortgaging of Common Areas; (iv) dissolution of the Association; and (v) amendment of these Articles of Incorporation.

IN WITNESS WHEREOF, I have hereunto set my hand on this the 1st day of August, 2001.



BRUCE W. BRINGARDNER
INCORPORATOR

H:\FILES\FILE8500\85480001\articlesofinc.wpd



The State of Texas

Secretary of State

AUG. 3, 2001

BRUCE W BRINGARDNER/MOSELY & STANDERER
400 ONE TURTLE CREEK VILLAGE 3878 OAK LAWN
DALLAS TX 75219-4469

RE:
WINDMILL FARMS ASSOCIATION PHASE 1, INC.

CHARTER NUMBER 01638414-01

IT HAS BEEN OUR PLEASURE TO APPROVE AND PLACE ON RECORD THE ARTICLES OF INCORPORATION THAT CREATED YOUR CORPORATION. WE EXTEND OUR BEST WISHES FOR SUCCESS IN YOUR NEW VENTURE.

AS A CORPORATION, YOU ARE SUBJECT TO STATE TAX LAWS. SOME NON-PROFIT CORPORATIONS ARE EXEMPT FROM THE PAYMENT OF FRANCHISE TAXES AND MAY ALSO BE EXEMPT FROM THE PAYMENT OF SALES AND USE TAX ON THE PURCHASE OF TAXABLE ITEMS. IF YOU FEEL THAT UNDER THE LAW YOUR CORPORATION IS ENTITLED TO BE EXEMPT YOU MUST APPLY TO THE COMPTROLLER OF PUBLIC ACCOUNTS FOR THE EXEMPTION. THE SECRETARY OF STATE CANNOT MAKE SUCH DETERMINATION FOR YOUR CORPORATION.

IF WE CAN BE OF FURTHER SERVICE AT ANY TIME, PLEASE LET US KNOW.



VERY TRULY YOURS,

Henry Cuellar
Henry Cuellar, Secretary of State



The State of Texas
Secretary of State

CERTIFICATE OF INCORPORATION
OF

WINDMILL FARMS ASSOCIATION PHASE 1, INC.
CHARTER NUMBER 01638414

THE UNDERSIGNED, AS SECRETARY OF STATE OF THE STATE OF TEXAS, HEREBY CERTIFIES THAT THE ATTACHED ARTICLES OF INCORPORATION FOR THE ABOVE NAMED CORPORATION HAVE BEEN RECEIVED IN THIS OFFICE AND ARE FOUND TO CONFORM TO LAW.

ACCORDINGLY, THE UNDERSIGNED, AS SECRETARY OF STATE, AND BY VIRTUE OF THE AUTHORITY VESTED IN THE SECRETARY BY LAW, HEREBY ISSUES THIS CERTIFICATE OF INCORPORATION.

ISSUANCE OF THIS CERTIFICATE OF INCORPORATION DOES NOT AUTHORIZE THE USE OF A CORPORATE NAME IN THIS STATE IN VIOLATION OF THE RIGHTS OF ANOTHER UNDER THE FEDERAL TRADEMARK ACT OF 1946, THE TEXAS TRADEMARK LAW, THE ASSUMED BUSINESS OR PROFESSIONAL NAME ACT OR THE COMMON LAW.

DATED AUG. 2, 2001.

EFFECTIVE AUG. 2, 2001



Henry Cuellar
Henry Cuellar, Secretary of State