

**ARTICLES OF INCORPORATION**  
**OF**  
**KINGSLEY HOMEOWNERS' ASSOCIATION, INC.**

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

**ARTICLE 1.**

**NAME OF CORPORATION**

The name of the corporation is Kingsley Homeowners' Association, Inc., hereinafter called the "Association".

**ARTICLE II.**

**REGISTERED OFFICE**

The initial registered office of the Association is 1800 South Main, Suite 890, McAllen, Texas 78503.

**ARTICLE III.**

Mark Dizdar is hereby appointed the initial registered agent of the Association, whose address is the same as that of the initial registered office.

**ARTICLE IV.**

**DURATION**

The period of duration of the Association is perpetual.

## **ARTICLE V**

### **PURPOSES AND POWERS OF THE ASSOCIATION**

The Association is organized to be operated for the sole purpose of carrying on as a residential real estate management association, and thus a “homeowners association” as that term is defined by Section 528(c) of the Internal Revenue Code of 1986.

Specifically, the purposes for which the Association is formed are to administer, maintain, and preserve the “properties”, including the “lots” and the “Common Area” as such terms are defined in that certain Declaration of Covenants, Conditions and Restrictions for Kingsley, Section One (1), recorded in the office of the County Clerk of Hidalgo County, Texas (the “Declarant”) in accordance with the Declaration; to exercise the duties and prerogatives of the Association set forth in the Declaration; to exercise all of the powers and duties set forth in the Bylaws of the Association and the Declaration; to have and to exercise any and all powers, rights, and privileges which a corporation organized under the Non-Profit Corporation Act of the State of Texas may now or hereafter have or exercise; and, to the extent permitted by law, to do any and all other things necessary to implement or accomplish the purposes set forth in the Bylaws of the Association and the Declaration.

## **ARTICLE VI**

### **MEMBERSHIP**

The Association shall have two (2) classes of members:

A. Class “A”. Class “A” members shall be all owners (as such term is defined in the Declaration), with the exception of Declarant (as such term is defined in the

Declaration). Each Class “A” member shall be entitled to one (1) vote for each lot owned by such member in the properties; provided, however, when more than one person holds an interest in any lot, all such persons shall be members, and the single vote for such lot shall be exercised by the one (1) natural person named by them as they among themselves determine from time-to-time by written notice executed by them, given to the Association in the manner prescribed by it from time-to-time, but in no event shall more than one (1) vote be cast with regard to any lot owned by a Class “A” member. Any member failing to give the above-described notice shall not be entitled to vote and shall be disqualified in that respect unless waived by the Association by an instrument in writing duly executed by it. The votes of the Class “A” members are referred to herein as the “Class ‘A’ votes”.

B. Class “B”. The Class “B” member shall be Declarant. The Class “B” member shall be allowed three ((3)) votes for each lot in the properties owned by Declarant. All Class “B” votes shall cease to exist and automatically be converted to Class “A” votes on the happening of any of the following events, whichever occurs earlier:

1. When the total number of Class “A” votes are entitled to be cast with respect to the properties equals the total number of Class “B” votes entitled to be cast with respect to the properties;
2. Ten (10) years from the date of the Declaration is filed in the Office of the County Clerk of Hidalgo County, Texas;
3. At such earlier time as the holder of the Class “B” votes may, in its sole discretion, elect.

C. Reinstatement of Class “B” Votes. Notwithstanding the prior provisions of Section 4(b) above, if additional land is made subject to the jurisdiction of the Association pursuant to a Supplemental Declaration such that Declarant owns more than twenty-five percent (25%) of the total of all Lots, then the provisions in said paragraph B of Article VI shall be automatically reinstated *ipso facto*.

## ARTICLE VII

### **BOARD OF DIRECTORS**

The number of directors constituting the initial Board of Directors of the Association is three (3) and the names and addresses of the persons who are to serve as the initial directors are:

<u>Name</u>	<u>Address</u>
Mark Dizdar	1800 South Main, Suite 890 McAllen TX 78503
_____	_____
_____	_____

## ARTICLE VIII.

### **INCORPORATOR**

The name and street address of the incorporator is:

<u>Name</u>	<u>Address</u>
Mark Dizdar	1800 South Main, Suite 890 McAllen TX 78503

## **ARTICLE IX.**

### **NON-PROFIT CORPORATION**

The Association is a non-profit corporation, without capital stock organized solely for the purposes specified in Article V, and no part of its property, whether income or principal, shall ever inure to the benefit of any director, officer, or employee of the Association, or of any individual having a personal or private interest in the activities of the Association, nor shall any such director, officer, employee, or individual receive or be lawfully entitled to receive any profit from the operations of the Association except a reasonable allowance for salaries or other compensation for personal services actually rendered in, carrying out one or more of its stated purposes, but only to the extent permitted by the Bylaws or the Declaration.

## **ARTICLE X.**

### **PROHIBITED ACTS**

The Association shall not pay dividends or other corporate income to its Members, directors, or officers or otherwise accrue distributable profits or permit the realization of private gain. This prohibition shall not apply to acquiring, constructing, or providing management, maintenance, and care of Association property, or the rebate of excess membership dues, fees, or assessments to the Members of the Association.

The Association shall have no power to take any action prohibited by the Texas Non-Profit Corporation Act.

## **ARTICLE XI.**

### **LIMITATION ON LIABILITY OF DIRECTORS**

A director is liable to the Association and/or its members for monetary damages for an act or omission in the director's capacity as director only as provided in the Declaration.

## **ARTICLE XII.**

### **INDEMNIFICATION**

The Association may indemnify a person who was, is, or is threatened to be named defendant or respondent in litigation or other proceedings because the person is or was a director or other person related to the Association, as provided by the Bylaws of the Association. The terms and conditions of such indemnification shall be set for the in the Declaration or the Bylaws.

## **ARTICLE XIII.**

### **ACTIONS WITHOUT MEETINGS**

Any action required by the Texas Non-Profit Corporation Act to be taken at a meeting of the Members or Directors of the Association or any action that may be taken at a meeting of the Members or Directors or of any committee may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by a sufficient number of Members, directors, or committee members as would be necessary to take that action at a meeting at which all of the Members, directors, or members, or members of the committee were present and voted.

**ARTICLE XIV.**

**DISSOLUTION**

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 the Association was created or shall be granted, conveyed, and assigned to any non-profit corporation, association, trust, or other organization devoted to such similar purposes.

**ARTICLE XV.**

**HUD OR VA APPROVAL**

Annexation of additional property, mergers and consolidations, mortgaging of Common Area, dissolution, and amendment of these Articles require the prior approval of the United States Department of Housing and Urban Development ("HUD") or the Veterans Administration ("VA) for so long as there is a Class "B" membership. However, in the event mortgages or deeds of trust recorded against Lots within the properties are not insured by HUD or the VA, then all of the prior approval requirements shall be null and void and no such prior approval shall be required.

**IN WITNESS WHEREOF** for the purpose of forming this Association under the laws of the State of Texas, I, the undersigned incorporator of this Association, have executed these Articles of Incorporation this \_\_\_\_\_ day of \_\_\_\_\_, 1999.

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Mark Dizdar  
1800 South Main, Suite 890  
McAllen Texas 78503