

**ARTICLES OF INCORPORATION
OF
STAFFORD ESTATES HOMEOWNERS' ASSOCIATION, INC.**

I, 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, do hereby adopt the following Articles of Incorporation for said corporation:

ARTICLE ONE
NAME

The name of the corporation is STAFFORD ESTATES HOMEOWNERS' ASSOCIATION, INC. (hereinafter called 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 purposes for which the Association is organized are as follows:

(1) Ensuring and being responsible for the continuous and perpetual operation, maintenance and/or supervision of drainage easements, landscaping systems or landscape elements or features, landscape irrigation systems, screening walls or fences, subdivision entryway features, or other physical facilities or grounds held in common and necessary or desirable for the welfare of the Stafford Estates - Phase I, Stafford Estates - Phase II and Stafford Estates - Phases IIIA, IIIB and IIIC Additions to the Town of Flower Mound, Denton County, Texas (hereinafter collectively called the "Additions"), or that are of common use or benefit and being responsible for the continuous and perpetual operation, maintenance and/or supervision of landscape systems, features or elements located in parkways, common areas, between screening walls or living screens and adjacent curbs or street pavement edges, adjacent to drainage ways or drainage structures, or at subdivision entryways on the Additions;

(2) Maintain and repair the fences constructed by Stafford Estates Limited Partnership (hereinafter called the "Declarant") in the fence easement areas as shown on the Final Plats of the Additions (hereinafter collectively called the "Plats");

(3) Maintain and repair the various amenities and improvements constructed by the Declarant on Lot 10G in Block A of Stafford Estates - Phase I, which lot has been dedicated to the Association;

(4) Maintain the pedestrian way constructed by the Declarant on Lot 10A in Block G of Stafford Estates - Phase I, which lot has been dedicated to the Association;

(5) Maintain the sight visibility easements which are shown on the Plats;

(6) Maintain the visibility clips which are shown on the Plats; and

(7) Maintain Lot 34-X and Lot 35-X in Block L of Stafford Estates - Phase IIIA.

All of the areas dedicated and/or maintained by the Association are hereinafter collectively called the "Common Areas".

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 of Covenants, Conditions and Restrictions for Stafford Estates - Phase I, the Declaration of Covenants, Conditions and Restrictions for Stafford Estates - Phase II and the Declaration of Covenants, Conditions and Restrictions for Stafford Estates - Phases IIIA, IIIB and IIIC which have been filed in the Real Property Records of Denton County, Texas (hereinafter collectively called the "Declarations"), as the Declarations may be amended from time to time, which Declarations are incorporated herein for all purposes;

(2) Fix, levy, collect and enforce payment by any lawful means of all assessments and charges pursuant to the Declarations; to pay all expenses in connection therewith and all office and other expenses incident to the performance of the purposes of the Association, including all taxes or assessments, if any, which may be levied or imposed against the property that is owned by the Association;

(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 Declarations;

(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 Declarations;

(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 Declarations;

(7) Promote the health, safety and welfare of the residents within the Addition;
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, and the related regulations, rulings and procedures.

ARTICLE SEVEN MEMBERSHIP

Each person and/or entity who owns a fee or undivided fee interest in a lot which is a part of the Additions, including homebuilders and contract sellers, shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest in a lot merely as security for the performance of an obligation; 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 Additions.

ARTICLE EIGHT VOTING RIGHTS

The Association shall have one (1) class of voting Members. The Members shall be all lot owners, and shall be entitled to one (1) vote for each lot owned by a Member. When more than one person owns an interest in any lot, all such persons shall be Members of the Association, but the vote for such lot shall be exercised as the owners of the particular lot shall among themselves determine. In no event shall more than one (1) vote be cast with respect to any lot by a Member.

ARTICLE NINE INITIAL REGISTERED OFFICE AND AGENT

The street address of the initial Registered Office of the Association is 3878 Oak Lawn Avenue, 4th Floor, in the City of Dallas, Dallas County, Texas 75219. The name of the Association's initial Registered Agent at that address is Bruce W. Bringardner.

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 seven

(7) 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)	PAM RIORDAN	1904 Haversham Drive Flower Mound, Texas 75022
(2)	LEO MALAMACI	1716 Southwicke Drive Flower Mound, Texas 75022
(3)	BOB JOHNSTONE	3606 Ashby Drive Flower Mound, Texas 75022
(4)	LARRY KLEIN	3505 Sandhurst Drive Flower Mound, Texas 75022
(5)	MIKE KOEHLER	3704 Kentmere Court Flower Mound, Texas 75022
(6)	FIONA QUADE	1802 Southwicke Drive Flower Mound, Texas 75022
(7)	DAVID LAYNE	3604 Everton Drive Flower Mound, Texas 75022

ARTICLE ELEVEN
NO CUMULATIVE VOTING

Members shall not be able to cumulate their votes in the election of Directors.

ARTICLE TWELVE
INCORPORATOR

The name and address of the Incorporator are as follows:

Bruce W. Bringardner
3878 Oak Lawn Avenue, 4th Floor
Dallas, Texas 75219

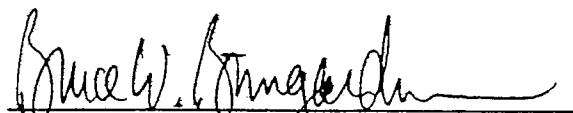
ARTICLE THIRTEEN
LIMITATION ON LIABILITY OF DIRECTORS

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.

IN WITNESS WHEREOF, I have hereunto set my hand on this the 18th day of August, 1999.



BRUCE W. BRINGARDNER
INCORPORATOR

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August 18, 1999 (1:57pm)