

(Seal of Texas)
State of Texas

Secretary of State

CERTIFICATE OF INCORPORATION

OF

WALKER LAKE HOMEOWNERS, INC
CHARTER NUMBER 01338401

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 BOUND 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.

ARTICLES OF INCORPORATION

OF

WALKER LAKE HOMEOWNERS ,INC

DATED DEC. 29, 1994

EFFECTIVE DEC. 29, 1994

(Seal)

(Signature of Ronald Kirk)

Secretary of State

BYLAWS
OF
WALKER LAKE HOMEOWNERS
A TEXAS NONPROFIT CORPORATION

ARTICLE 1

OFFICES

Principal Office

1.01. The principal office of the corporation in the State of Texas shall be located at Box 1639, La Joya, TX, Texas. The corporation may have such other offices within the State of Texas as the Board of Directors may determine or as the affairs of the corporation may require from time to time.

Registered Office and Registered Agent

1.02. The corporation shall have and continuously maintain in the State of Texas a registered office and a registered agent whose office is identical with such registered office, as required by the Texas Non-Profit Corporation Act. The initial registered office and registered agent shall be as stated in the Articles of Incorporation of the corporation. The registered office may be, but need not be, identical with the principal office of the corporation in the State of Texas; and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE 2

POWERS OF THE CORPORATION

Nonprofit Corporation

2.01. This is a nonprofit corporation without capital stock. No dividends shall be paid, and the corporation's income shall be distributed only in accordance with the laws of the United States and the State of Texas governing distribution of income by nonprofit organizations.

General Powers

2.02 Except as otherwise limited by law and by the provisions of these Bylaws, this corporation shall have, exercise, and enjoy all the general rights, privileges and powers necessary, incidental or convenient to the attainment and accomplishment of the purposes expressed in the Articles of Incorporation, and to the administration of its funds and property to achieve those purposes, and shall have, exercise and enjoy, in furtherance only of the purposes hereinabove set forth, all the rights, privileges and powers of corporations under the common law and under the Texas Non-Profit Corporation Act.

ARTICLE 3

BOARD OF DIRECTORS

General Powers.

3.01. The affairs of the corporation shall be managed by its Board of Directors, which shall be vested with all administrative powers of the corporation and which shall have charge,

control, and management of the property, affairs, and funds of the corporation. Directors shall be members of the corporation.

Number, Tenure and Qualifications

3.02. The permanent Board of Directors shall consist of five (5) members. The original Board of Directors shall be as set forth in the Articles of Incorporation, and shall serve until the first meeting of the members. Commencing with the year 1995 and continuing regularly and every year thereafter, members of the Board of Directors of this corporation shall be elected by the members of the corporation. At the annual meeting of members held in 1995, five directors shall be elected, one to serve a one-year term, two to serve two-year terms and two to serve three-year terms. At each annual meeting thereafter, a sufficient number of directors shall be elected to fill the positions of those directors whose terms are expiring.

Removal from Office

3.03. Any Director may be removed from office by a two-thirds (2/3) vote of the members, at a special meeting called for the purposes of considering such removal, when in their judgment the best interests of this corporation will be served by such removal. Term of Office

3.04 The term of office for a Director shall be three (3) years. No director of this corporation may serve for more than three (3) consecutive terms, although former members of the Board of Directors who have served for three consecutive terms may be reelected after a lapse in service.

Regular Meetings

3.05. A regular annual meeting of the Board of Directors shall be held, during the month of August in each year, commencing with the year 1994, and continuing regularly and annually thereafter, for the purpose of transacting any and all business which may lawfully come before the meeting. Notice of such regular annual meeting shall be given in accordance with the provisions of the Bylaws. The annual meeting shall be held at the corporate offices unless otherwise specified in the notice of the meeting. The Directors may provide by resolution the time and place, either within or without the State of Texas, for the holding of additional regular meetings of the entire Board, and notice of any such meeting so called shall be given as hereinbelow set forth.

Special Meetings

3.06. Special meetings of the Board of Directors may be called by or at the request of the President or any two Directors. All special meetings of the Board shall be held at the corporate offices.

Notice

3.07. Notice of any regular or special meeting of the Board of Directors shall be given at least ten (10) days previously thereto by written notice delivered personally or sent by mail or fax to each Director at his address as shown in the records of the corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed with postage thereon prepaid. If notice be given by fax, such

notice shall be deemed to be delivered when the transmission is confirmed. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or these Bylaws.

Quorum

3.08. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

Manner of Acting

3.09. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these Bylaws.

Vacancies

3.10. Any vacancy occurring in the Board of Directors and any directorship to be filled by reason of an increase in the number of Directors, shall be filled by the remaining Directors.

A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

Compensation

3.11. No Director shall receive or be entitled to receive any salary or remuneration for services rendered as a Director. Actual expenses incurred by any Director, including a fixed sum and expenses of attendance at any regular or special meeting of Directors, may be reimbursed when authorized by the Directors. A Director may be employed to perform regular or special services in the administration of the affairs of the corporation and may be paid therefor such reasonable salary or compensation as may be authorized by the Directors. Nothing herein shall be construed to preclude any Director from serving the corporation in any other capacity and receiving compensation therefor. No part of the net earnings of the corporation shall inure to the benefit of any Director or individual.

Informal Action by Directors

3.12. Any action required by law to be taken at a meeting of Directors, or any action which may be taken at a meeting of Directors, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the Directors.

Rules and Regulations

3.13. The Directors shall make reasonable non-discriminatory rules and regulations for use of the lake, picnic area and other common facilities to promote safety, prevent overcrowding and protect the environment.

ARTICLE 4

MEMBERS

Qualifications

4.01. The members of this corporation and their voting rights are defined in the Declaration of Covenants, Conditions and Restrictions dated June 3, 1988 and recorded in Volume 2605, Page 815, Official Records of Hidalgo County, Texas.

Transfer

4.02. Membership in the corporation shall be transferable together with the lot, townhouse or condominium unit to which said membership is applicable. Membership transfer shall be made on the books of the corporation by the Secretary on presentation by the transferee of a copy of a warranty deed, affidavit of heirship or other proof of the title satisfactory to the corporation's counsel, and on payment of any past due assessments.

Equality

4.03. All members shall have equal rights with respect to the use of the common facilities, regardless of the size of the parcel of land to which such membership pertains or the number of owners thereof.

Annual Meeting

4.04. The annual meetings of the members shall be held each year at such place within Hidalgo County, Texas as the Directors may fix, on the _____ in _____ of each year, beginning in the year 1994. If this day falls on a legal holiday, the annual meeting shall be

held at the same time on the next following business day thereafter. Notice of the meeting, stating the place, day, and hour of the meeting, and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be given in writing to each member entitled to vote at the meeting at least ten (10) but not more than fifty (50) days before the date of the meeting either personally or by mail or other means of written communications, addressed to the member at his address appearing on the books of the corporation or given by him to the corporation for the purpose of notice. Notice of adjourned meetings is not necessary unless the meeting is adjourned for thirty (30) days or more, in which case notice of the adjourned meeting shall be given as in the case of any special meeting.

Special Meetings

4.05. Special meetings of the members for any purpose or purposes whatsoever may be called at any time by the President, or by the Board Directors, or by any two (2) or more Directors, or by 20% of the members entitled to vote at the meeting.

Quorum

4.06. A majority of the members constitutes a quorum for the transaction of business. Business may be continued after withdrawal of enough members to leave less than a quorum.

Voting

4.07. Only the persons in whose names membership is registered on the books of the corporation on the last day of the second month preceding the date of a meeting shall be entitled to vote at such meeting, unless some other day is fixed by the Board of Directors for

the determination of members of record. Voting shall be by voice unless any member demands a ballot vote before the voting begins.

Proxies

4.08. Every member entitled to vote or execute consents may do so either in person or by written proxy executed in writing by the member or his duly authorized attorney in fact.

Consent of Absentees

4.09. No defect in the calling or noticing of a members' meeting will affect the validity of any action at the meeting if a quorum was present, and if each member not present in person or by proxy signs a written waiver of notice, consent to the holding of a meeting, or approval of the minutes, either before or after the meeting, and such waivers, consents, or approvals are filed with the corporate records or made a part of the minutes of the meeting.

Action Without Meeting

4.10. Action may be taken by members without a meeting if each member entitled to vote signs a written consent to the action and such consents are filed with the Secretary of the corporation.

ARTICLE 5

OFFICERS

General

5.01. The officers of the corporation shall be a President, a Vice-President, a Secretary, a Treasurer, and such other officers as may be elected in accordance with the provisions of this

Article. The Board of Directors may elect or appoint such other officers as it shall deemed desirable, such officers to have the authority and perform the duties prescribed, from time to time, by the Board of Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary.

Election and Term of Office

5.02. The officers of the corporation shall be elected every three (3) years by the Board of Directors at its regular annual meeting. An officer must be a member of the corporation, and may also serve concurrently as a Director. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office for a period of three (3) years or until his successor shall have been duly elected and shall have qualified.

Removal

5.03. Any officer may be removed by the Board of Directors whenever in its judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the officer so removed.

Vacancies

5.04. A vacancy in any office because of death, resignation, disqualification or otherwise, may be filled by the Directors for the unexpired portion of the term.

President

5.05. The President shall preside at all meetings of the Board of Directors. He may sign, with the Secretary or any other proper officer of the corporation authorized by the Board of Directors, any deeds, leases, mortgages, bonds, contracts, or other official documents which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws or by statute to some other officer or agent of the corporation; and in general he shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Vice-President

5.06. The Vice-President shall act as President in the absence of the president and, when so acting, shall have all the power and authority of the President.

Secretary

5.07. The Secretary shall keep, or cause to be kept, the minutes of the meetings of the Board of Directors in one or more books provided for that purpose; give all notices in accordance with the provisions of these Bylaws or as required by law; be custodian of the corporate records (except books of account) and of the seal of the corporation to all documents, the execution of which on behalf of the corporation under its seal is duly authorized in accordance with the provisions of these Bylaws; and shall keep a register of the post-office address of each director

which shall be furnished to the Secretary by each Director.

Treasurer

5.08. The Treasurer shall keep, or cause to be kept, correct and complete records of accounts, showing accurately at all times the financial condition of this corporation. He shall have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for moneys due and payable to the corporation from any source whatsoever; and deposit all such moneys in the name of the corporation in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of these Bylaws; and shall furnish, at the annual meeting of the Directors, a statement of the financial condition of the corporation. He shall additionally furnish, whenever requested by the Directors, a current statement of the financial condition of the corporation, and in general shall perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Architectural Control Committee

5.09 The Directors shall appoint an Architectural Control Committee of at least three (3) persons who shall all be members of the Corporation, to carry out the functions set forth in Article VI of the Declaration of Covenants, Conditions and Restrictions, recorded in Volume 2605, Page 815, Official Records of Hidalgo County, Texas, ("the Declaration"). Any vacancy in the Architectural Control Committee caused by death, resignation, disqualification or otherwise, may be filled by the Directors.

ARTICLE 6

ASSESSMENTS

In General

6.01. The funds needed by the corporation to operate shall be raised primarily by assessment of its members, set forth in the Declaration.

Regular Assessments

6.02. Each year, the Directors shall prepare a budget for the corporation, taking into account its cash requirements for fees, contract labor and other each member shall be assessed and insurance, taxes, professional general and recurring expenses shall pay an equal share of the budgeted amount, in equal monthly installments.

Special Assessments

6.03. Should the Board of Directors determine that any common property requires major repair or reconstruction, and such project will benefit all or substantially all of the members, then the Directors shall prepare a proposed budget for the project and a plan of assessment, dividing the amount required equally among the members.

The Board of Directors shall then call a special meeting of project, and shall include in the proposed budget and assessment the members to approve such notice of meeting a copy of plan. The notice, quorum and voting requirements for such meeting are set forth in the Declaration.

Notice of Assessment

6.04. The Board of Directors shall cause written notice of all special assessments to be mailed to the members at the addresses shown on the books of the corporation. Assessments shall be due and payable ten (10) days after the date of the notice of assessment.

Failure to Pay

6.05. If a member should fail to pay a duly levied assessment, the corporation may, in addition to any legal remedies it may have, as set forth in the Declaration, to enforce payment:

- a. Suspend a member's voting rights;
- b. Refuse to register a transfer of membership;
- c. Refuse to allow the member to use any or all of the recreation facilities situated on common property.

ARTICLE 7

MISCELLANEOUS

Indemnification of Officers and Directors

7.01 The corporation may pay or reimburse any present or former Director or officer of this corporation any costs or expenses actually and necessarily incurred by him in any action, suit or proceeding to which he is made a party by reason of his holding such position; provided, however, that he shall not receive such indemnification if he be finally adjudicated therein to be liable for gross negligence or malfeasance in office. The indemnification herein provided shall also extend to good-faith expenditures incurred in anticipation of, or preparation

for, threatened or proposed litigation. The Board of Directors may, in proper cases, extend the indemnification to cover the good-faith settlement of any such action, suit or proceeding, whether formally instituted or not.

ADOPTED by the Board of Directors of Walker Lake Homeowners Inc., on

_____ 1994.

New Directors

Blanca Gonzalez

Rogelio Reyes

Ulan Rivera