



Office of the Secretary of State

CERTIFICATE OF INCORPORATION OF

The Courtyard at the Preserve Homeowners Association, Inc.
Filing Number: 800313453

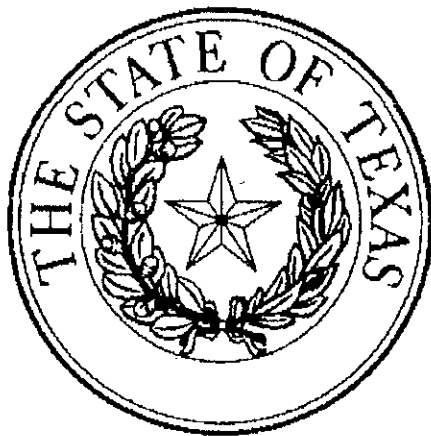
The undersigned, as Secretary of State of Texas, hereby certifies that Articles of Incorporation for the above named corporation have been received in this office and have been found to conform to law.

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 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: 03/08/2004

Effective: 03/08/2004



A handwritten signature in black ink, appearing to read "G. Connor".

Geoffrey S. Connor
Secretary of State

**INITIAL MEETING OF DIRECTORS
OF THE COURTYARD AT THE PRESERVE HOMEOWNERS
ASSOCIATION, INC.**

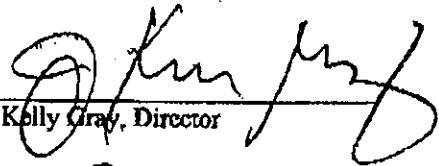
The undersigned, being the Directors of The Courtyard at the Preserve Homeowners Association, Inc., a Texas Non-Profit Corporation (the "Corporation") and being entitled to vote upon the resolution hereinafter set forth, does hereby waive any written notice requirement of this meeting found in the bylaws and consent that such resolutions contained herein shall have the same force and effect as if adopted by unanimous consent in a formal meeting of the Board of Directors of the Corporation duly called and held for the purpose of acting upon a proposal to adopt such resolution:

RESOLVED, that the following individuals are elected, as of the effective date hereof, to the offices set forth opposite his name to serve the Corporation for the ensuing year and until his successors in office have been duly elected and qualified:

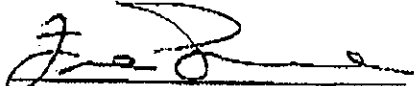
J. Kelly Gray
Fred Purcell
Cosmo Palmieri

President
Treasurer
Secretary

DATED to be effective as of March 5, 2004


J. Kelly Gray, Director


Cosmo Palmieri, Director


Fred Purcell, Director

ARTICLES OF INCORPORATION

OF

THE COURTYARD AT THE PRESERVE HOMEOWNERS ASSOCIATION, INC.

I, the undersigned natural person of the age of twenty-one years or more, a citizen of the State of Texas, acting as incorporator of a corporation under the Texas Business Corporation Act, do hereby adopt the following Articles of Incorporation:

ARTICLE ONE

The name of the corporation is **THE COURTYARD AT THE PRESERVE HOMEOWNERS ASSOCIATION, INC.** (the "Corporation").

ARTICLE TWO

The period of its duration is perpetual.

ARTICLE THREE

The Corporation is a non-profit corporation.

ARTICLE FOUR

The Corporation does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are for aesthetic purposes and the conduct of a property owner's association to provide for maintenance, preservation and architectural control of the lot, parcel and common area within that certain tract of land and subdivision commonly known as **THE COURTYARD AT THE PRESERVE AKA, Replat of Lots 26-67 and 70-84 of Cardinal Hills Unit 4**, and to promote the health, safety and welfare of the owners and users within the above-described property and any additions thereto as may hereafter be brought within the jurisdiction of the Corporation and to:

(a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions, as the same may be amended from time to time as therein provided (hereinafter called the "Declaration") applicable to the property and recorded in the Office of the County Clerk of Travis County, Texas, said Declaration being incorporated herein and made a part hereof;

(b) Fix, levy, collect and enforce payment by any lawful means, all charges, or assessments pursuant to the terms of the Declaration; to pay all office, administrative and other expenses in connection therewith and/or incident to the conduct of the business of the

Corporation, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

(c) acquire (by gift, purchase or otherwise), expand, annex, merge, 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;

(d) borrow money, and with the approval of 80% of the number of votes entitled to be cast, mortgage, pledge, encumber or hypothecate any and all of its real or personal property as security for money borrowed or debts incurred;

(e) dedicate, sell or transfer all of any part of the common area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members and no such dedication or transfer shall be effective unless an instrument has been approved by 80% of the number of votes entitled to be cast, agreeing to such dedication, sale or transfer;

(f) participate in mergers and consolidations with other non-profit corporations organized and for the same purposes or annex additional property and common areas;

(g) have and to exercise any and all powers, rights and privileges which a corporation organized under the Texas Non-Profit Corporation Act by law may now or hereafter have or exercise.

ARTICLE FIVE

The street address of the Corporation's initial registered office is 6907 Capital of Texas Highway, Suite 370, Austin, Texas 78731 and the name of its registered agent located at such address is Cosmo A. Palmieri.

ARTICLE SIX

The number of directors constituting the initial Board of Directors is Three (3), and the names and addresses of the persons who are to serve as directors until the first annual meeting of the members or until their successors are elected and qualified are:

Cosmo A. Palmieri	J. Kelly Gray	Fred Purcell
6907 Capital of Texas Hwy.	6907 Capital of Texas Hwy.	6907 Capital of Texas Hwy.
Suite 370	Suite 370	Suite 370
Austin, Texas 78731	Austin, Texas 78731	Austin, Texas 78731

ARTICLE SEVEN

The board of directors of the Corporation are expressly authorized to alter, amend or repeal the bylaws or to adopt new bylaws of the Corporation without any action on the part of the

members, but the bylaws made by the directors and the powers so conferred may be altered or repealed by the members as provided therein.

ARTICLE EIGHT

The Corporation shall indemnify any person who was, is, or is threatened to be made a named defendant or respondent in a proceeding (as hereinafter defined) because the person (i) is or was a director or officer of the Corporation or (ii) while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic corporation, employee benefit plan, other enterprise, or other entity to the fullest extent that a corporation may grant indemnification to a director under the Texas Non-Profit Corporation Act, as the same exists or may hereafter be amended. Such right shall be a contract right and as such shall run to the benefit of any director or officer who is elected and accepts the position of director or officer of the Corporation or elects to continue to serve as a director or officer of the Corporation while this Article is in effect. Any repeal or amendment of this Article shall be prospective only and shall not limit the rights of any such director or officer or the obligations of the Corporation with respect to any claim arising from or related to the services of such director or officer in any of the foregoing capacities prior to any such repeal or amendment of this Article. Such right shall include the right to be paid or reimbursed by the Corporation for expenses incurred in defending any such proceeding in advance of its final disposition to the maximum extent permitted under the Texas Non-Profit Corporation Act, as the same exists or may hereafter be amended. If a claim for indemnification or advancement of expenses hereunder is not paid in full by the Corporation within 90 days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim, and if successful in whole or in part, the claimant shall also be entitled to be paid the expenses of prosecuting such claim. It shall be a defense to any such action that such indemnification or advancement of costs of defense are not permitted under the Texas Non-Profit Corporation Act, but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including its board of directors or any committee thereof, special legal counsel, or members) to have made its determination prior to the commencement of such action that indemnification of, or advancement of costs of defense to, the claimant is permissible in the circumstances nor an actual determination by the Corporation (including its board of directors or any committee thereof, special legal counsel, or members) that such indemnification or advancement is not permissible, shall be a defense to the action or create a presumption that such indemnification or advancement is not permissible. In the event of the death of any person having a right of indemnification under the foregoing provisions, such right shall inure to the benefit of such person's heirs, executors, administrators, and personal representatives. The rights conferred above shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, bylaw, resolution of members or directors, agreement, or otherwise.

The Corporation may additionally indemnify any person covered by the grant of mandatory indemnification contained above to such further extent as is permitted by law and may indemnify any other person to the fullest extent permitted by law.

To the extent permitted by then applicable law, the grant of mandatory indemnification to any person pursuant to this Article shall extend to proceedings involving the negligence of such person.

As used herein, the term "proceeding" means any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, arbitrate, or investigative, any appeal in such an action, suit, or proceeding, and any inquiry or investigation that could lead to such an action, suit, or proceeding.

ARTICLE NINE

To the fullest extent permitted by applicable law, a director of the Corporation shall not be liable to the Corporation or its members for monetary damages for an act or omission in the director's capacity as a director, except that this Article does not eliminate or limit the liability of a director of the Corporation to the extent the director is found liable for:

- (a) a breach of the director's duty of loyalty to the Corporation or its members; or
- (b) an act or omission not in good faith that constitutes a breach of duty of the director to the Corporation or an act or omission that involves intentional misconduct or a knowing violation of the law; or
- (c) a transaction from which the director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the director's office; or
- (d) an act or omission for which the liability of a director is expressly provided by an applicable statute.

Any repeal or amendment of this Article by the members of the Corporation shall be prospective only and shall not adversely affect any limitation on the personal liability of a director of the Corporation arising from an act or omission occurring prior to the time of such repeal or amendment. In addition to the circumstances in which a director of the Corporation is not personally liable as set forth in the foregoing provisions of this Article, a director shall not be liable to the Corporation or its members to such further extent as permitted by any law hereafter enacted, including without limitation any subsequent amendment to the Texas Non-Profit Corporation Act.

ARTICLE TEN

The following provisions are inserted for regulation of the internal affairs of the Association:

Section 1. Net Earnings Not to Benefit Private Persons. No part of the net earnings of the Corporation shall inure to the benefit of or be distributable to its directors, officers, members, or other private persons, except that the Corporation shall be authorized and

empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article Four hereof.

Section 2. Other Prohibited Activities. Notwithstanding any other provision of these Articles to the contrary, the Corporation shall not engage in any activities not permitted to be carried on by a corporation exempt from Federal Income Tax under Section 501 (c) (7) of the Internal Revenue Code of 1954, as amended, or the corresponding provisions of any future United States Internal Revenue Law.

ARTICLE ELEVEN

Every person or entity who is a record title owner of a fee or undivided fee interest in any unit which is subject to the Declaration or otherwise subject to assessment by the Corporation, shall be a member of the Corporation. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any unit which is subject to the Declaration or otherwise subject to assessment by the Corporation.

ARTICLE TWELVE

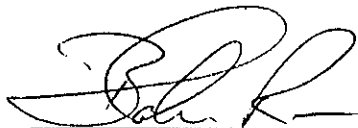
Members shall be entitled to vote in the manner set forth in the Declaration. When more than one person holds an interest in any unit, all such person shall be members; provided, however, the vote for such lot or parcel shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any lot or parcel except as otherwise provided in the Declaration..

ARTICLE THIRTEEN

The name and address of the incorporator is:

Blake A. Rue
6907 Capital of Texas Highway
Suite 370
Austin, Texas 78731

EXECUTED: March 4, 2004.



Blake A. Rue

