

**ARTICLES OF INCORPORATION  
OF  
RWC HILLCREST SHORES THREE HOMEOWNERS ASSOCIATION,  
INC.**

FILED  
In the Office of the  
Secretary of State of Texas  
MAR 05 2004  
Corporations Section

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

**ARTICLE ONE**

The name of the corporation is RWC HILLCREST SHORES THREE HOMEOWNERS ASSOCIATION, INC.

**ARTICLE TWO**

The corporation is a non-profit corporation.

**ARTICLE THREE**

The period of its duration is perpetual.

**ARTICLE FOUR**

The purpose or purposes for which the corporation is organized are to exercise all powers and privileges and perform all duties and obligations of the corporation as granted and required in the Declaration of Covenants and Conditions for Hillcrest Shores Phase 3 recorded or to be recorded in the Real Property Records of Rockwall, Texas (the "Declaration").

**ARTICLE FIVE**

The corporation shall have members as provided in the Declaration.

**ARTICLE SIX**

The address of its initial registered office is 5700 West Plano Parkway, Suite 3000, Plano, Texas, 75093, and the name of its initial registered agent at such address is Stephen L. Goodman.

## ARTICLE SEVEN

The number of directors constituting the initial Board of Directors is three (3) and the name and address of the person who is to serve as the director of the corporation for the term set forth opposite his name or until his successor is elected and qualified is:

<u>NAME</u>	<u>ADDRESS</u>	<u>INITIAL TERM OF OFFICE</u>
Stephen L. Goodman	5700 West Plano Parkway, Suite 3000 Plano, Texas 75093	Until first Election
Joey Howell	9400 N. Central Expressway Suite 1516 Dallas, TX 75231	Until first election
James Derrick Goodman	5700 West Plano Parkway, Suite 3000 Plano, Texas 75093	Until first election

The right of members to cumulative voting in the election of directors is expressly prohibited.

## ARTICLE EIGHT

The name and address of the incorporator is Stephen L. Goodman, 5700 West Plano Parkway, Suite 3000, Plano, Texas 75093.

## ARTICLE NINE

Except as may be provided in the By-Laws of the corporation, the power to alter, amend, or repeal the By-Laws or to adopt new By-Laws of the corporation shall be vested in the Board of Directors of the corporation; provided however, the By-Laws made by the Board of Directors and the power so conferred may be repealed or changed by action of the members.

## ARTICLE TEN

Any action authorized or required by the Texas Non-Profit Corporation Act to be taken at any annual or special meeting of members, board of directors, or any committee thereof, or any action which may be taken at any annual or special meeting of members, may be taken without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth

the action so taken, shall have been signed by the holder or holders of a sufficient number of votes to take such action at a meeting at which all members were present and voted.

#### ARTICLE ELEVEN

No director of the corporation shall 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 for liability (1) for any breach of the director's duty of loyalty to the corporation or its members, (2) for acts or omissions not in good faith that constitute a breach of duty of the director to the corporation or an act or omission that involves intentional misconduct or a knowing violation of law, (3) for any transaction from which the director received an improper benefit, whether or not the benefit resulted from an act taken within the scope of the director's office, and (4) for acts or omissions for which the liability of a director is expressly provided by 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 existing at 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 preceding sentences, a director shall not be liable to the fullest extent permitted by any amendment to the Texas statutes hereafter enacted that further limits the liability of a director.

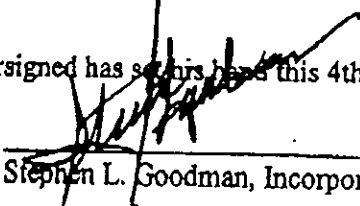
#### ARTICLE TWELVE

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

#### ARTICLE THIRTEEN

These Articles may be amended by the affirmative vote or written consent of Owners owning at least 70% of the Lots, provided that so long as the Class B membership provided for in Section 5.2(b) of the Declaration exists, any amendment of these Articles shall require the prior written approval of HUD or VA.

IN WITNESS WHEREOF, the undersigned has set his hand this 4th day of March, 2004.

  
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Stephen L. Goodman, Incorporator