

Non-Profit



The State of Texas

SECRETARY OF STATE

CERTIFICATE OF INCORPORATION OF

STONEBRIDGE RANCH COMMUNITY ASSOCIATION, INC.
CHARTER NO. 1084022

The undersigned, as Secretary of State of the State of Texas, hereby certifies that Articles of Incorporation for the above corporation duly signed and verified pursuant to the provisions of the Texas Non-Profit Corporation Act, have been received in this office and are found to conform to law.

ACCORDINGLY the undersigned, as such Secretary of State, and by virtue of the authority vested in the Secretary by law, hereby issues this Certificate of Incorporation and attaches hereto a copy of the Articles of Incorporation.

Dated JULY 25 , 19 88





Secretary of State

ceb

ARTICLES OF INCORPORATION
OF
STONEBRIDGE RANCH COMMUNITY ASSOCIATION, INC.

FILED
in the Office of the
Secretary of State of Texas
JUL 25 1988

Clerk I-B
Corporations Section

The undersigned, a natural person over the age of eighteen (18) years and a citizen of the State of Texas, acting as an incorporator of a corporation under the Texas Non Profit Corporation Act, does hereby adopt the following Articles of Incorporation for such corporation.

ARTICLE ONE

NAME

The name of the nonprofit corporation (hereinafter called the "Association") is STONEBRIDGE RANCH COMMUNITY ASSOCIATION, INC.

ARTICLE TWO

STATUS

The Association is a nonprofit corporation.

ARTICLE THREE

DURATION

The period of its duration is perpetual.

ARTICLE FOUR

PURPOSE

The purpose for which the Association is organized is to be and constitute the Association to which reference is made in the "Master Declaration of Covenants, Conditions, Restrictions, Easements, Charges and Liens" instrument pertaining to the Stonebridge Ranch project within the City of McKinney, Collin County, Texas, as recorded (and amended from time to time) in the Public Real Estate Records of Collin County, Texas. The Association shall not engage in any purpose, action or activity which is prohibited by the Texas Non-Profit Corporation Act and by other applicable law. The Association does not contemplate pecuniary gain or profit, direct or indirect, to its Members.

ARTICLE FIVE

MEMBERS

The Association shall have one or more classes of members. The designation of such class or classes, the manner of election or appointment and the qualifications and rights of the members of each class are set forth within the Master Declaration and the Bylaws.

ARTICLE SIX

INDEMNIFICATION

To the full extent permitted by applicable law, no director of this Association shall be liable to this Association or its members for monetary damages for an act or omission in such director's capacity as a director of this Association, except that this Article Six does not eliminate or limit the liability of a director of this Association for:

1. a breach of such director's duty of loyalty to this Association or its members;
2. an act or omission not in good faith or that involves intentional misconduct or a knowing violation of the law;
3. a transaction from which such director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of such director's office;
4. an act or omission for which the liability of such director is expressly provided for by statute; or
5. an act related to an unlawful stock repurchase or payment of a dividend.

Any repeal or amendment of this Article by the members of this Association shall be prospective only, and shall not adversely affect any limitation on the personal liability of a director of this Association existing at the time of such repeal or amendment. In addition to the circumstances in which a director of this Association is not personally liable as set forth in the foregoing provisions of this Article Six, a director shall not be liable to the full extent permitted by any Amendment to the Texas Miscellaneous Corporation Laws Act or the Texas Non-Profit Corporation Act hereafter enacted that further limits the liability of a director.

To the full extent permitted by applicable law, the Association shall indemnify any director or officer against judgments, penalties

(including excise and similar taxes), fines, settlements and reasonable expenses (including court costs and attorneys' fees) actually incurred by any such person who was, is or is threatened to be made a named defendant or respondent in a proceeding because the person is or was a director or officer and shall advance to such person such reasonable expenses as are incurred by him in connection therewith. The rights of directors and officers set forth in this Article shall not be exclusive of any other right which directors or officers may have or hereafter acquire relating to the subject matter hereof. As used in this Article, the terms "director" and "officer" shall mean any person who is or was a director or officer of the Association and any person who, while a director or officer of the Association, is or was serving at the request of the Association as a director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise. As used in this Article, the term "proceeding" means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitratve or investigative, any appeal in any such action, suit or proceeding and any inquiry or investigation that could lead to such an action, suit or proceeding.

ARTICLE SEVEN

REGISTERED OFFICE AND AGENT

The street address of the Association's initial registered office is 5956 Sherry Lane, Suite 930, Dallas, Texas 75225, and the name of its initial registered agent at such address is Wayne R. Reynolds.

ARTICLE EIGHT

INITIAL DIRECTORS

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 are:

Arthur E. Hewett
5956 Sherry Lane, Suite 930
Dallas, Texas 75225

Jerry W. Ragsdale
5956 Sherry Lane, Suite 930
Dallas, Texas 75225

Wayne R. Reynolds
5956 Sherry Lane, Suite 930
Dallas, Texas 75225

ARTICLE NINE

INCORPORATOR

The name and address of the incorporator is:

Arthur E. Hewett
5956 Sherry Lane, Suite 930
Dallas, Texas 75225

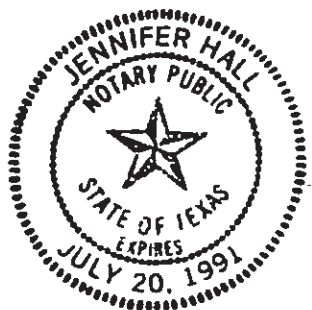
Executed and effective as of this 20th day of July, 1988.


Arthur E. Hewett

STATE OF TEXAS §
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COUNTY OF DALLAS §

BEFORE ME, a notary public, on this day personally appeared ARTHUR E. HEWETT, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared that the statements therein contained are true and correct.

Given under my hand and seal of office this 20th day of July, 1988.



Jennifer Hall
Notary Public in and for the
State of Texas

Jennifer Hall
Print or type name of Notary

My Commission expires:
7-20-91

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