

AUG 11 1992

Corporations Section

ARTICLES OF INCORPORATION

OF

LEGEND OAKS HOMEOWNERS ASSOCIATION 2, INC.

We, the undersigned natural persons of the age of eighteen (18) years or more, at least two of whom are citizens of the State of Texas, acting as incorporators of a corporation under the Texas Non-Profit Corporation Act, do hereby adopt the following Articles of Incorporation for such corporation:

ARTICLE I

NAME

The name of the corporation is Legend Oaks Homeowners Association 2, Inc., hereinafter called the "Association."

ARTICLE II

TYPE OF CORPORATION

The Association is a non-profit corporation and has no capital stock.

ARTICLE III

DURATION

The period of duration is perpetual.

ARTICLE IV

PURPOSES AND POWERS

This Association does not contemplate pecuniary gain or profit to its members, and the purposes for which it is formed are to provide for preservation of the residence lots and common area within that certain real property known as Legend Oaks Sections 5, 6 and 7, a subdivision in Travis County, Texas and to promote the health, safety and welfare of the residents within such properties and for these purposes the Association shall have the following powers:

(a) To pay all office and other expenses incident to the conduct of the business of the Association, including for example, but not by way of limitation, all licenses, taxes or governmental charges levied or imposed against the property of the Association;

(b) To purchase, receive, lease or otherwise 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 Association;

(c) To borrow money, and with the assent of two-thirds (2/3) of each class of members to mortgage or pledge any or all of its real or personal property as security for money borrowed or debts incurred;

(d) To engage the services of agents, independent contractors or employees to manage, operate or perform all or any part of the affairs and business of the Association; and

(e) To do and perform any and all lawful things and acts which in its discretion are necessary or desirable in carrying out any or all of the purposes for which the Association is formed, and pay the costs and/or expenses in connection therewith.

Further, the Association shall have and 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 V

MEMBERSHIP

The owners of residential Lots in Legend Oaks, Sections 5, 6, and 7, and areas annexed thereto pursuant to the recorded Declaration of Covenants, Conditions and Restrictions for Legend Oaks, shall be members of the Association. Membership shall be appurtenant to and shall not be separated from ownership of any Lot. When ownership of any Lots is held by more than one person or by a legal entity which is not a natural person, all such owners shall be members of the Association, however, the voting rights of such members shall be limited to the number of votes set forth herein exercised as they among themselves shall determine.

ARTICLE VI

VOTING RIGHTS

The Association shall have two classes of voting membership:

(a) Class A. Class A members shall be all resident owners with the exception of Declarant and any Builder as defined in the Declaration of Covenants, Conditions and Restrictions for Legend Oaks and shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members, but the vote for such Lot shall be exercised as they among

themselves determine, and in no event shall more than one (1) vote be cast with respect to any Lot.

(b) Class B. The Class B members shall be the Declarant and any Builder, as defined in the Declaration of Covenants, Conditions and Restrictions for Legend Oaks who shall be entitled to three (3) votes for each unoccupied Lot owned by it. The Class B membership shall cease and be converted to Class A membership one hundred twenty (120) days after the conveyance of the Lot which causes the total votes outstanding in the Class A membership to equal the total votes outstanding in the Class B membership, or ten (10) years after conveyance of the first Lot to a Class A member, whichever occurs earlier. Class B membership shall be reinstated at any time before the expiration of 10 years from the date of conveyance of the first Lot if additional Lots owned by a Class B member are annexed into the Association in sufficient numbers to restore a ratio of at least one Class B Lot to each three Class A Lots in the overall area subject to the Association.

(c) Suspension. All voting rights of an Owner shall be suspended during any period in which such Owner is delinquent in the payment of any assessment duly established by the Association or is otherwise in default hereunder or under the Bylaws or Rules and Regulations of the Association.

ARTICLE VII

AGENT AND OFFICES

Jeffrey J. Wooley, 200 West Fourth Street, Austin, Texas 78701 at such address constitutes the initial registered office and agent, respectively, of the Association. The principal office of the Association is located at 200 West Fourth Street, Austin, Texas 78701.

ARTICLE VIII

BOARD OF DIRECTORS

The affairs of the Association shall be managed by a Board of no less than three (3) directors, who need not be members of the Association. The number of directors may be changed by amendment of the By-Laws of the Association. The names and addresses of the persons who are to serve until the election of their successors are:

Jeffrey J. Wooley

3003 Copper Mount Cove
Austin, Texas 78746

John C. Wooley

200 West Fourth Street
Austin, Texas 78701

Steve Tucker

3800 Allegro Lugar
Austin, Texas 78749

At the first annual meeting the members shall elect one (1) director for a term of one (1) year, one (1) director for a term of two (2) years, and one (1) director for a term of three (3) years; and at each annual meeting thereafter the members shall elect the director(s) for a term of three (3) years to fill each expiring term.

ARTICLE IX

MERGERS AND CONSOLIDATIONS

To the extent permitted by law, the Association may participate in mergers and consolidations with other non-profit corporations organized for the same purposes, provided that any such merger or consolidation shall have the assent of two-thirds (2/3) of the voting membership.

ARTICLE X

AUTHORITY TO MORTGAGE

After same has been conveyed to the Association, any mortgage by the Association of the common area shall have the assent of two-thirds (2/3) of the entire membership.

ARTICLE XI

AUTHORITY TO DEDICATE

The Association shall have power to dedicate, sell or transfer all or any part of the common area (after same has been conveyed to it) to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer may be effective unless an instrument has been signed by members entitled to cast two-thirds (2/3) of the votes of the entire membership agreeing to such dedication, sale or transfer.

ARTICLE XII

DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of the entire membership. Upon dissolution of the Association, the assets both real and personal of the Association, shall be dedicated to an appropriate public agency to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Association. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to purposes

and uses that would most nearly reflect the purposes and uses to which they were required to be devoted by the Association.

ARTICLE XIII

MEETINGS FOR ACTIONS GOVERNED BY ARTICLES IX THROUGH XII

In order to take actions under Articles IX through XII, there must be a duly held meeting. Written notice, setting forth the purpose of the meeting shall be given to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. The presence of members or of proxies entitled to cast two-thirds (2/3) of the votes of the membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth above, and the required quorum at such subsequent meeting shall be one-half (1/2) of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

ARTICLE XIV

AMENDMENTS

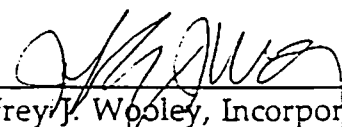
Amendments of these Articles shall require the assent of three-quarters (3/4) of the entire membership.

ARTICLE XV

CONFLICTS

In the event of a conflict between these Articles of Incorporation and the Declaration of Covenants, Conditions and Restrictions, the Declaration of Covenants, Conditions and Restrictions shall control. In the event of a conflict between these Articles of Incorporation and the Bylaws, these Articles of Incorporation shall control.

IN WITNESS WHEREOF, we have hereunto set our hands this 5th day of February, 1992.



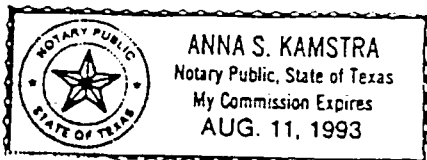
Jeffrey J. Wooley, Incorporator

ACKNOWLEDGMENT

THE STATE OF TEXAS §
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COUNTY OF TRAVIS §

I, the undersigned authority, a Notary Public in and for said County and State, do hereby certify that on this 5th day of February, 1992, personally appeared before me JEFFREY J. WOOLEY and who, being by me first duly sworn, declared that he is the person who signed the foregoing document as incorporator and that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year above written.



Anna S. Kamstra
Notary Public in and for the State of
Texas