

FILED
In the Office of the
Secretary of State of
NOV 30 1994
Corporations Section

ARTICLES OF INCORPORATION
OF
THE SETTLEMENT SECTION TWO OWNERS ASSOCIATION
(the "Corporation")

I, the undersigned natural person over the age of eighteen (18) years, acting as incorporator of a corporation under the Texas Non-Profit Corporation Act (the "Act"), do hereby adopt the following Articles of Incorporation for such Corporation:

ARTICLE I.

Name

The name of the Corporation is THE SETTLEMENT SECTION TWO OWNERS ASSOCIATION.

ARTICLE II.

Non-Profit Corporation

The Corporation is a non-profit corporation.

ARTICLE III.

Duration

The period of its duration is perpetual.

ARTICLE IV.

Purposes

The purposes for which the Corporation are organized are the civic and social betterment of the residents and property owners of The Settlement, Section Two, which purposes are as follows:

(a) To exercise all of the powers and privileges and to perform all of the duties and obligations of the Corporation as set forth in the Declaration of Covenants, Conditions and Restrictions for The Settlement, Section Two (the "Restrictions").

(b) To affix, levy and collect all charges or assessments pursuant to the terms of the Restrictions and to enforce payment thereof by any lawful means; to pay all expenses in connection therewith and all office and other expenses 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 Corporation;

(c) To acquire by gift or purchase, or to 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 Corporation subject to the limitations of the Restrictions;

(d) To borrow money, mortgage, pledge or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred subject to the limitations of the Restrictions;

(e) To promote and provide recreational facilities for the property owners;

(f) To provide general sanitation and cleanliness of the common areas;

(g) To provide control of insects, rodents and animals in the common areas;

(h) To provide maintenance and upkeep of common areas and other facilities as provided in the Restrictions;

(i) Except as set forth in Article Six hereof, to provide any activity necessary for the mutual benefit of the property owners, and to have and to exercise any and all powers, rights, privileges which a corporation organized under the Non-Profit Corporation laws of the State of Texas by law may now or hereafter exercise.

ARTICLE V.

Members

The Corporation shall have members as set forth and in accordance with its bylaws.

ARTICLE VI.

Restrictions

No part of the income or principal of the funds or property of the Corporation shall ever inure to the benefit of any shareholder, member, director or officer of the Corporation, or to any other individual, except that reasonable compensation may be paid for services rendered to or for the Corporation in connection with effectuating one or more of its purposes. Notwithstanding any other provision of these Articles, the Corporation shall not carry

on any activities not permitted to be carried on by a Corporation exempt from federal income tax under section 501(c)(4) or Section 528, as applicable, of the Internal Revenue Code of 1986, as amended (or the corresponding provisions of any subsequent United States Internal Revenue Law).

ARTICLE VII.

Initial Registered Office and Agent

The street address of the initial registered office of the Corporation is 1980 Post Oak Boulevard, Suite 700, Houston, Texas 77056. The name of the initial registered agent at this office is Barry Snowden.

ARTICLE VIII.

Board of Directors

The direction and management of the affairs of the Corporation and the control and disposition of its properties and funds shall be vested in a Board of Directors composed of such number of persons as may be fixed by the Bylaws. However, in no event shall the Board of Directors be composed of less than three (3) or more than nine (9) members. Until changed by the Bylaws, the original number of directors shall be three (3). The names and addresses of the persons who shall serve as initial directors of the Corporation until their successors are duly elected and qualified are as follows:

Name	Address
Eric Rome	5910 Courtyard Drive, Suite 230 Austin, Texas 78731-3334
Brian Shields	5910 Courtyard Drive, Suite 230 Austin, Texas 78731-3334
Barry Snowden	1980 Post Oak Boulevard, Suite 700 Houston, Texas 77056

ARTICLE IX.

Limitation on Liability of Directors

To the fullest extent that the Act, as it exists on the date hereof or as hereafter amended, permits the limitation or elimina-

tion of the liability of directors, no director shall be liable to the Corporation or its members for monetary damages for an act or omission in the director's capacity as director.

ARTICLE X.

Indemnity

The Association shall indemnify any Person (as defined in the Restrictions) who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such Person is or was a director, officer, committee member, employee, servant or agent of the Association or the Board of Directors, against all claims and expenses including attorney's fees reasonably incurred by such Person in connection with such action, suit or proceeding, if it is found and determined by the Board of Directors or a Court that such Person (i) acted in good faith and in a manner such Person reasonably believed to be in, or not opposed to, the best interests of the Association, or (ii) with respect to any criminal action or proceeding, had no reasonable cause to believe such Person's conduct was unlawful. The termination of any action, suit or proceeding by settlement, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that such Person did not act in good faith or in a manner which such Person reasonably believed to be in, or not opposed to, the best interests of the Association, or, with respect to any criminal action or proceeding, had reasonable cause to believe that such Person's conduct was unlawful. The Board may purchase and maintain insurance on behalf of any Person who is or was a director, officer, committee member, employee, servant or agent of the Association or the Board of Directors, against any liability asserted against such Person or incurred by such Person in any such capacity, or arising out of such Person's status as such, whether or not the Association would have the power to indemnify him against such liability hereunder or otherwise.

ARTICLE XI.

Construction

All references in these Articles of Incorporation to statutes, regulations, or other sources of legal authority shall refer to the authorities cited or their successors, as they may be amended from time to time.

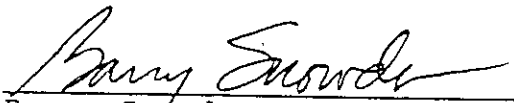
ARTICLE XII.

Incorporator

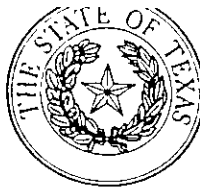
The name and street address of the incorporator is:

Name	Street Address
Barry Snowden	1980 Post Oak Blvd., Suite 700 Houston, Texas 77056

IN WITNESS WHEREOF, I execute these Articles of Incorporation
this 28th day of November, 1994.



Barry Snowden
Incorporator



The State of Texas
Secretary of State

CERTIFICATE OF INCORPORATION

OF

THE SETTLEMENT SECTION TWO OWNERS ASSOCIATION
CHARTER NUMBER 01334804

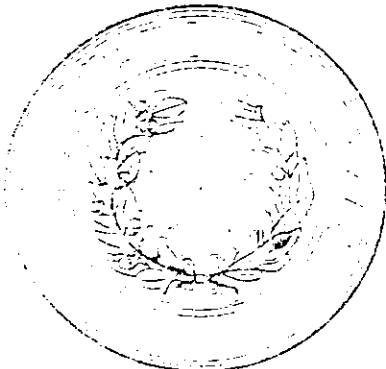
THE UNDERSIGNED, AS SECRETARY OF STATE OF THE STATE OF TEXAS, HEREBY CERTIFIES THAT THE ATTACHED ARTICLES OF INCORPORATION FOR THE ABOVE NAMED CORPORATION HAVE BEEN RECEIVED IN THIS OFFICE AND ARE FOUND TO CONFORM TO LAW.

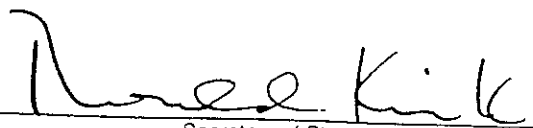
ACCORDINGLY, THE UNDERSIGNED, AS SECRETARY OF STATE, AND BY VIRTUE OF THE AUTHORITY VESTED IN THE SECRETARY BY LAW, HEREBY ISSUES THIS CERTIFICATE OF INCORPORATION.

ISSUANCE OF THIS CERTIFICATE OF INCORPORATION DOES NOT AUTHORIZE THE USE OF A 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.

DATED NOV. 30, 1994

EFFECTIVE NOV. 30, 1994




Secretary of State