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The State of Texas
Secretary of State

CERTIFICATE OF INCORPORATION
OF

ENCINO RANCH HOMEOWNERS ASSOCIATION, INC.
CHARTER NUMBER 01508234

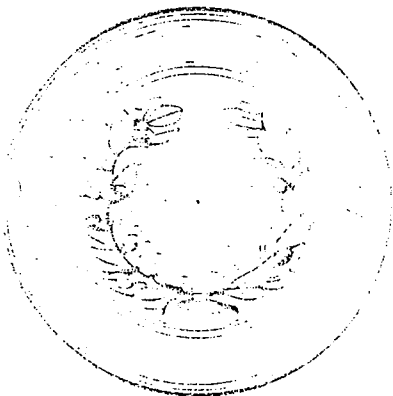
THE UNDERSIGNED, AS SECRETARY OF STATE OF THE STATE OF TEXAS,
HEREBY CERTIFIES THAT THE ATTACHED ARTICLES OF INCORPORATION FOR THE
ABOVE NAMED CORPORATION HAVE BEEN RECEIVED IN THIS OFFICE AND ARE
FOUND TO CONFORM TO LAW.

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 OCT. 7, 1998

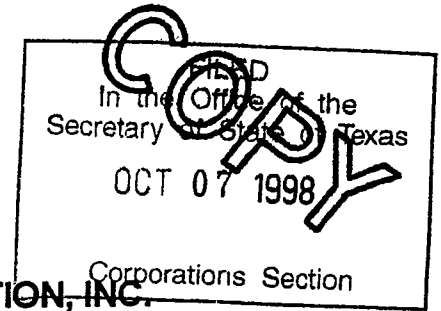
EFFECTIVE OCT. 7, 1998



A handwritten signature in cursive script, reading "Alberto R. Gonzales", written over a horizontal line.

Alberto R. Gonzales, Secretary of State

**ARTICLES OF INCORPORATION
OF
ENCINO RANCH HOMEOWNERS ASSOCIATION, INC.**



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

ARTICLE ONE

The name of the corporation is Encino Ranch Homeowners Association, Inc., hereinafter sometimes referred to as the "Corporation" or "Association."

ARTICLE TWO

The Association is a non-profit corporation.

ARTICLE THREE

The period of the Association's duration is perpetual.

ARTICLE FOUR

The Association is organized pursuant to the Act and does not contemplate pecuniary gain or profit to the members thereof and is organized for non-profit purposes. The purposes for which the Association is formed are to provide for the maintenance, preservation and management of the land located in the Encino Ranch Subdivision, a Planned Unit Development in the City of San Antonio, Bexar County,

Texas, and any and all other property which is accepted from time to time by the Association for similar purposes, and to promote the health, safety and welfare of the residents within the land and any and all other property which is accepted by the Association for similar purposes.

In furtherance of its purposes, the Association shall have the following powers, which, unless indicated otherwise by the Declaration or the Bylaws, may be exercised by the Association's Board of Directors:

(a) The Association may exercise all of the powers conferred upon non-profit corporations by common law and the statutes of the State of Texas in effect from time to time;

(b) The Association may (i) fix, levy, collect and enforce payment of, by any lawful means, all charges or assessments pursuant to the terms of the Declaration and/or Bylaws, (ii) as agent, pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association including all licenses, taxes or governmental charges levied or imposed against the land of the Association, (iii) make disbursements, expenditures and payments on behalf of the said land owners as required by the Declaration and the Bylaws of the Association, and (iv) hold as agent for said land owners reserves for periodic repairs, maintenance and capital improvements to be made as directed by the land owners acting through the Board (as herein defined).

(c) The Association may acquire by gift, purchase 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 subject to the limitations, if any, set forth in the Declaration.

(d) The Association may borrow money, and with the required consent of the voting members as set forth in the Declaration, 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, if any, set forth in the Declaration.

(e) The Association may provide management, upkeep, maintenance, repair, care of and general sanitation and cleanliness of the

Common Area as provided in the Declaration.

(f) The Association may incur or assume obligations and duties to the City of San Antonio, Texas, or any other governmental authority, regarding the development, operation and maintenance of the Common Area and any improvements within the Common Area.

(g) The Association may enter into and perform any contract and exercise all powers which may be necessary or convenient to the operation, management, maintenance and administration of the affairs of the Association in accordance with the Declaration.

(h) The Association may dedicate, sell or transfer all or any part of the Common Area to any public agency, authority or utility company for such purposes and subject to such conditions as may be agreed to by the members; provided, however, that no such dedication, sale or transfer shall be effective unless an instrument has been recorded after it has been signed by the requisite number of voting members agreeing to such dedication, sale or transfer as provided in the Declaration.

(i) The Association may participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional residential property and Common Area, provided that any such merger, consolidation or annexation shall have the assent of the owners representing the requisite number of votes of voting members as provided in the Declaration.

ARTICLE FIVE

The number of Directors constituting the initial Board of Directors of the corporation is three (3) and the names and addresses of the persons who are to serve as the initial Directors are:

Jim Meredith	8716 North Mopac, Suite 201 Austin, TX 78759
Mary Meredith	8716 North Mopac, Suite 201 Austin, TX 78759
Chris Blackburn	8716 North Mopac, Suite 201 Austin, TX 78759

The number of directors may be changed to not less than three, nor more than nine directors, by amendment to the Bylaws of the Association upon vote of the membership or by vote of the Board of Directors.

ARTICLE SIX

The street address of the initial registered office of the corporation is 8716 North Mopac, Suite 201, Austin, TX 78759, and the name of its registered agent at such address is Jim Meredith.

ARTICLE SEVEN

The corporation is a non-profit corporation, without capital stock, organized solely for non-profit purposes, and no director, officer or employee of the corporation, nor any individual having a personal or private interest in the activities of the corporation, shall ever be lawfully entitled to receive any profit from the operations of the corporation, except reasonable compensation for services rendered in carrying out one or more of its stated purposes. The corporation shall not engage in, and none of its funds or property shall be devoted to carrying on propaganda, or otherwise attempting to influence legislation.

ARTICLE EIGHT

Every person or entity who is a record owner of a fee or undivided interest in any Lot situated in the Encino Ranch Subdivision, a Planned Unit Development, in Bexar County, Texas, and such additional lands as may become subject to the jurisdiction and assessment of the Association, shall be a Member of the Association, provided, however, that any person or entity holding an interest in any such Lot or Lots merely as security for the performance of an obligation shall not be

a Member. Membership shall be appurtenant to and shall not be separated from ownership of a Lot.

ARTICLE NINE

The Association shall have two (2) classes of voting membership:

(a) "Class A" Members shall be all owners of a lot with a dwelling thereon with the exception of Masonwood Encino Subdivision Ltd. and Builder Members, and shall be entitled to one (1) vote for each lot owned. When more than one person is the owner of any Lot, all such persons shall be members, and the vote of such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

(b) Class B Members shall be Masonwood Encino Subdivision Ltd. and Builder Members. Each Class B member shall be entitled to four (4) votes for each developed unimproved lot owned.

At any time after commencement of operations of the association, at Masonwood Encino Subdivision Ltd.'s sole discretion, the property owners may be required to take over the management of the Association and relieve Masonwood Encino Subdivision Ltd. of all duties associated therewith. Upon such turnover by Masonwood Encino Subdivision Ltd., the property owners within the Subdivision will be required to choose their own Board of Directors to represent them and to manage the Association in accordance with the terms and conditions of these restrictions and to establish any and all rules and regulations, procedures and other management devices by which the Association shall operate. Any Board Members/Directors must be Owners within the Subdivision.

ARTICLE TEN

The Association shall be entitled to indemnify its officers, directors, and those

acting on its behalf, including members of an Architectural Control Committee or other similar committee, to the fullest extent allowed by the Texas Non-Profit Corporation Act or other applicable law.

ARTICLE ELEVEN

Amendment of these Articles shall require the assent of seventy percent (70%) of the membership of the Association.

ARTICLE TWELVE

If FHA or VA has approved the lots located in the Subdivision and is insuring mortgages of buyers of homes located in the Subdivision, then for so long as there is a Class B membership, the prior approval of the Federal Housing Administration ("FHA"), the Veterans Administration ("VA") and/or the U.S. Department of Housing and Urban Development ("HUD") shall be required for:

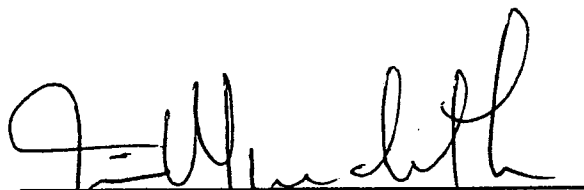
- (a) annexation or additional properties under the Declaration,
- (b) mergers and consolidations of the Association,
- (c) mortgaging of the Common Area,
- (d) dedication of the Common Area to any governmental authority,
- (e) dissolution of the Association, or
- (f) amendment of these Articles if such amendment affects or alters any provisions of the Declaration directly governed or regulated by the FHA or VA.

ARTICLE THIRTEEN

The name and address of the incorporator is:

Jim Meredith
8716 North Mopac, Suite 201
Austin, TX 78759

IN WITNESS WHEREOF, I have hereunto set my hand this 25th day
of SEPTEMBER, 1998.



Jim Meredith