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The State of Texas

Secretary of State

MAR. 16, 1998

KRISHA CREAL/FLOYD & SLOAN
3811 TURTLE CREEK BLVD., 1100 TURTLE CRK CTR
DALLAS ,TX 75219-4419

RE:
HILLCREST LEBANON HOMEOWNERS ASSOCIATION, INC.
CHARTER NUMBER 01482222-01

IT HAS BEEN OUR PLEASURE TO APPROVE AND PLACE ON RECORD THE ARTICLES OF INCORPORATION THAT CREATED YOUR CORPORATION. WE EXTEND OUR BEST WISHES FOR SUCCESS IN YOUR NEW VENTURE.

AS A CORPORATION, YOU ARE SUBJECT TO STATE TAX LAWS. SOME NON-PROFIT CORPORATIONS ARE EXEMPT FROM THE PAYMENT OF FRANCHISE TAXES AND MAY ALSO BE EXEMPT FROM THE PAYMENT OF SALES AND USE TAX ON THE PURCHASE OF TAXABLE ITEMS. IF YOU FEEL THAT UNDER THE LAW YOUR CORPORATION IS ENTITLED TO BE EXEMPT YOU MUST APPLY TO THE COMPTROLLER OF PUBLIC ACCOUNTS FOR THE EXEMPTION. THE SECRETARY OF STATE CANNOT MAKE SUCH DETERMINATION FOR YOUR CORPORATION.

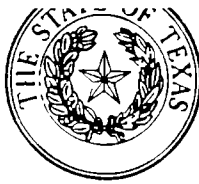
IF WE CAN BE OF FURTHER SERVICE AT ANY TIME, PLEASE LET US KNOW.



VERY TRULY YOURS,

A handwritten signature in cursive script, appearing to read "Alberto R. Gonzales".

Alberto R. Gonzales, Secretary of State



The State of Texas
Secretary of State

CERTIFICATE OF INCORPORATION
OF

HILLCREST LEBANON HOMEOWNERS ASSOCIATION, INC.
CHARTER NUMBER 01482222

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 MAR. 13, 1998

EFFECTIVE MAR. 13, 1998



A handwritten signature in cursive script, appearing to read "Alberto R. Gonzales".

Alberto R. Gonzales, Secretary of State

**ARTICLES OF INCORPORATION
OF
HILLCREST LEBANON HOMEOWNERS ASSOCIATION, INC.**

CORPORATION NAME:

1. The name of the Corporation is HILLCREST LEBANON HOMEOWNERS ASSOCIATION, INC. referred to as the "Association".

LEGAL STATUS:

2. The Association is a nonprofit corporation organized pursuant to the Texas Non-Profit Corporation Act.

DURATION:

3. The period of the duration of the Association is perpetual.

PURPOSES:

4. The purposes for which the Association is formed are the following:
 - (a) Specifically and primarily to provide an organization consisting of the owners of that certain single family residential development project located in Collin County, State of Texas, and more particularly described in the Declaration recorded in the Office of the County Clerk of Collin County, State of Texas, and recorded under Document No. 98-0009328 in the Deed Records of Collin County, Texas (the "Association Project"), to provide for the management, maintenance, preservation, and architectural control of the Association Project.
 - (b) Generally:
 - (i) To promote the health, safety, and welfare of the owners of the Condominium Project.
 - (ii) To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration and Bylaws of said Association (the "Declaration" and "Bylaws", respectively).
 - (iii) To fix, levy, collect, and enforce payment of any charges or assessments as set forth in the Declaration and to pay all expenses in connection with such charges or assessments, all office expenses, and all other expenses incidental to the conduct of the business of the Association, including all licenses, taxes, or governmental charges levied or imposed against the property of the Association.

(iv) To acquire (by gift, purchase, or otherwise), own, hold, improve, build on, operate, maintain, convey, sell, lease, transfer, to dedicate for public use, or otherwise to dispose of real or personal property in connection with the affairs of the Association.

(v) To borrow money, to mortgage, to pledge, to deed in trust, or to hypothecate any or all of the Association's real or personal property as security for money borrowed or debts incurred.

(vi) To have or exercise any and all powers, rights, and privileges that a corporation organized under the Texas Non-Profit Corporation Act by law may now or at a later time have or exercise.

(vii) To act in the capacity of principal, agent, joint venturer, partner, or otherwise.

(c) Notwithstanding any of the above statements of purposes, the Association shall not except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the primary purposes of the Association.

MEMBERSHIP:

5. The Corporation shall be a membership corporation without certificates or shares of stock.

The Corporation shall have two (2) classes of membership, Class A and Class B, as follows:

(a) Class A. Class A members shall be those owners as defined in the Declaration, with the exception of the Declarant or its successors in title. Class A members shall be entitled to one (1) vote for each Unit in which they hold the interest required for membership.

(b) Class B. Class B members shall be the Declarant or its successors in title. The Class B member shall be entitled to three (3) votes for each unoccupied Lot owned by Declarant provided that the Class B membership shall cease and become converted to Class A membership on the happening of any of the following events, whichever occurs earlier.

(i) one hundred twenty days (120) after the conveyance of the Lot which causes the total votes outstanding in the Class B membership to be less than a majority of all votes; or

(ii) when, in its sole discretion, the Declarant so determines, as more specifically set forth in the Declarations.

Except as otherwise stated in the Declarations, from and after the happening of those events, whichever occurs earlier, the Class B member shall be deemed to be a Class A member entitled to one (1) vote for each Unit in which it holds the interest required for membership.

INITIAL REGISTERED OFFICE AND AGENT:

6. The street address of the initial registered office of the Association is 1401 Burnham Drive, Plano, Texas 75093, and the name of its initial registered agent at such address is Cary L. Cobb.

BOARD OF DIRECTORS:

7. The affairs of the Association shall be managed by a Board of Directors. The number of Directors constituting the initial Board is five (5). The number of Directors may be changed by amendment of the Bylaws of the Association, provided, however, that the number of Directors may never be less than three (3).

The name and address of the persons who are to serve as the initial Directors are as follows:


<u>NAME</u>	<u>ADDRESS</u>
Cary L. Cobb	1401 Burnham Drive, Plano, Texas 75093
Issam Karanouh	1401 Burnham Drive, Plano, Texas 75093
Nelda McCroskey	1401 Burnham Drive, Plano, Texas 75093

INCORPORATORS:

8. The names and street address of the incorporator of this Association are as follows:

<u>NAME</u>	<u>ADDRESS</u>
KENNETH W. SLOAN	3811 Turtle Creek Blvd. Suite 1100 Dallas, TX 75219

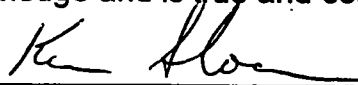
IN WITNESS WHEREOF, I have set my hands, on March 13, 1998.



KENNETH W. SLOAN

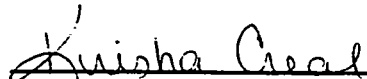
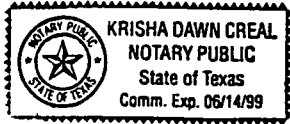
STATE OF TEXAS §
 §
COUNTY OF DALLAS §

BEFORE ME, the undersigned Notary Public, on this day personally appeared Kenneth W. Sloan, who, being by me duly sworn on oath deposed and said that he has read the above Articles of Incorporation and that every statement contained in the Articles of Incorporation is within his personal knowledge and is true and correct.



KENNETH W. SLOAN

SUBSCRIBED AND SWORN TO BEFORE ME on March 13th, 1998, to certify which witness my hand and official seal.



Notary Public, State of Texas

March 11, 1998
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**Office of the Secretary of State
Statutory Filings Division
Corporations Section**

**P.O. Box 13697
Austin, Texas 78711-3697
(512) 463-5555**

Enclosed is evidence of the business organization filing which you recently made with this office. Newly enacted legislation effective September 1, 1997, allows us to accept the document for filing when only a single copy is furnished but provides that the certificate of filing is to be returned without a duplicate copy attached. In the future, if you wish to receive a file stamped copy, you should enclose a duplicate copy when the filing is delivered to us.