

**ARTICLES OF INCORPORATION  
PURSUANT TO ARTICLE 3.02  
TEXAS NON-PROFIT CORPORATION ACT**

FILED  
In the Office of the  
Secretary of State of Texas

DEC 23 2005

**Article 1 - Corporate Name**

Corporations Section

The corporation formed is a non-profit corporation. The name of the corporation is THE PRESERVE AT GANN RANCH HOMEOWNERS ASSOCIATION (the "Corporation").

**Article 2 - Registered Agent and Registered Office**

The initial registered agent is DAVID DARNELL. The business address of the registered agent and the registered office address is 3613 Williams Drive, Ste. 503, Georgetown, Texas 78628.

**Article 3 - Management**

Management of the affairs of the Corporation is to be vested in its board of directors. The number of initial directors shall be three (3). The number of directors shall be set by the bylaws of the Corporation as may be amended from time to time, provided that the number of directors may never be less than three. The names and addresses of the persons who are to serve as directors until the first annual meeting or until their successors are elected and qualified are:

DAVID DARNELL, Attorney at Law	3613 Williams Drive, Ste. 503, Georgetown, Texas 78628
LLOYD L. POTTS	107 Fox Hollow Street, Georgetown, Texas 78628
CATHERINE J. POTTS	107 Fox Hollow Street, Georgetown, Texas 78628

**Article 4 - Organizational Structure**

The Corporation will have members.

**Article 5 - Duration**

The period of duration is perpetual.

**Article 6 - Purpose**

The Corporation is organized for charitable, religious, scientific, literary, or educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code"). In particular the Corporation shall operate for those purposes set out and described in the Declaration of Covenants, Conditions and Restrictions of THE PRESERVE AT GANN RANCH recorded under Clerk's Document No. 2002043138 of the Official Public Records of Williamson County, Texas.

**Article 7 - Restrictions**

Notwithstanding the foregoing or anything to the contrary herein, the Corporation may not:

- A. Engage in any activity or take any action prohibited by the Texas Non-Profit Corporation Act.
- B. Pay any dividend or distribute any part of the income of the Corporation to its members, if any, directors, if any, or officers. However, the Corporation may pay compensation in a reasonable amount to its members, directors, or officers for services rendered, may confer benefits upon its members in conformity with its purposes, provided such compensation and benefits are reasonable.
- C. Make loans to the Corporation's directors.
- D. Engage in any activities, except to an insubstantial degree, that are not in furtherance of the purpose or purposes of the Corporation.
- E. Conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code and its regulations, or by an

organization, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code and regulations.

F. Serve any private interest except if clearly incidental to the public benefit provided by the Corporation.

G. Allow any of the Corporation's net earning to inure to the benefit of the members, if any of the Corporation, or any private individual.

H. Engage in more than an insubstantial degree in the carrying on of propaganda, or otherwise attempting, to influence legislation, and the Corporation shall not directly or indirectly participate in, or intervene in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office, except as allowed by Internal Revenue Code and its regulations.

I. Allow upon dissolution of the Corporation or the winding up of its affairs, the assets of the Corporation to be distributed to anyone other than an organization which would then qualify as a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code for use in furtherance of the purpose or purposes for which the Corporation was organized or to the State of Texas for public purposes.

J. Make distributions at such time and in such manner as to subject it to tax under Section 4942 of the Internal Revenue Code of 1986 (the "Code").

K. Engage in any act of self-dealing which would be subject to tax under Section 4941 of the Code.

L. Retain any excess business holdings which would subject it to tax under Section 4943 of the Code.

M. Make any investments which would subject it to tax under Section 4944 of the Code.

N. Make any taxable expenditures which would subject it to tax under Section 4945 of the Code.

#### **Article 8 - Indemnification**

The Corporation shall indemnify and advance expenses to the full extent permitted by Article 1396-2.22A of the Texas Non-Profit Corporation Act and other applicable law, present and former directors, officers, employees, and agents of the Corporation and persons serving or formerly serving at the request of the Corporation as directors, officers, partners, venturers, proprietors, trustees, employees, agents or similar functionaries of another foreign or domestic corporation, employee benefit plan, other enterprise or entity against judgments, penalties (including excise and similar taxes), fines, settlements and reasonable expenses actually incurred by the person in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative or investigative, any appeal in such action, suit or proceeding and any inquiry or investigation that could lead to such an action suit or proceeding, because the person is or was acting in one of the capacities set forth above.

#### **Incorporator**

The name and address of the incorporator is:

DAVID DARNELL, Attorney at Law

3613 Williams Drive, Ste. 503 Georgetown, Texas 78628

The undersigned incorporator signs these articles of incorporation subject to the penalty imposed by Article 10.02, Texas Business Corporation Act, for the submission of a false or fraudulent document.

  
DAVID DARNELL