

JUL 08 2004

ARTICLES OF INCORPORATION
OF
PROPERTY OWNERS ASSOCIATION OF POINTE WEST, INC. Corporations Section

The undersigned, by these Articles, associate themselves for the purpose of forming a nonprofit corporation under and in accordance with the provisions of Title 32, Chapter Nine of Vernon's Texas Civil Statutes, and certify as follows:

Article 1. Name. The name of the nonprofit corporation is Property Owners Association of Pointe West, Inc. For convenience, the corporation shall be referred to in this instrument as the "Association."

Article 2. Address. The address of the initial principal office of the Association and the initial mailing address of the Association is 515 W. Southlake Boulevard, Suite 130, Southlake, Tarrant County, Texas 76092.

Article 3. Definitions. All capitalized terms used in these Articles of Incorporation which are not defined herein shall have the meaning set forth in the Declaration of Covenants, Conditions, and Restrictions for Pointe West, recorded or to be recorded by Centex Homes, a Nevada general partnership, d/b/a Centex Destination Properties ("Declarant"), in the public records of Galveston County, Texas, as such Declaration may be amended and/or amended and restated from time to time (the "Declaration").

Article 4. Purposes. The Association does not contemplate pecuniary gain or benefit, direct or indirect, to its members. By way of explanation and not of limitation, the purposes for which the Association is organized are:

(a) to be and constitute the Association to which reference is made in the Declaration, to perform all obligations and duties of the Association, and to exercise all rights and powers of the Association, as set forth in the Governing Documents and as provided by law; and

(b) to provide an entity for the furtherance of the interests of the owners of real property now and hereafter made subject to the Declaration (such real property is referred to in these Articles as the "Community").

Article 5. Powers. In furtherance of its purposes, the Association shall have the following powers, which, unless indicated otherwise by the Declaration or By-Laws of the Association, shall, if exercised at all, be exercised by the Board of Directors:

(a) all of the powers conferred upon nonprofit corporations by common law and Vernon's Texas Civil Statutes in effect from time to time; and

(b) all of the powers necessary or desirable to perform the obligations and to exercise the rights and powers set out in these Articles, the By-Laws, and the Declaration, including, without limitation, the following:

(i) to establish, levy, collect, and enforce payment of all charges or assessments authorized by the Declaration by any lawful means; to pay all expenses in connection therewith and all administrative and other expenses incident to the conduct of the business of the Association including,

without limitation, all licenses, taxes, or governmental charges levied or imposed against the property of the Association;

(ii) to manage, control, operate, alter, maintain, repair, improve, and replace the common areas and facilities, and any property acquired by the Association, or any property owned by another for which the Association, by rule, regulation, declaration, or agreement, has a right or duty to provide such services;

(iii) to make rules and regulations and to enforce covenants, conditions, or restrictions affecting any property within the Community to the extent the Association may be authorized to do so under the Declaration or By-Laws;

(iv) to engage in activities which will actively foster, promote, and advance the common interests of all owners of property within the Community subject to the Declaration;

(v) to buy, or otherwise acquire, sell, dedicate for public use, or otherwise dispose of, mortgage, or otherwise encumber, exchange, lease, own, hold, use, operate, grant easements and otherwise deal in and with, real and personal property of all kinds and any right or interest therein for any purpose of the Association;

(vi) to borrow money for any purpose subject to such limitations as may be contained in the Declaration and/or By-Laws;

(vii) to enter into, make, perform, and enforce agreements of every kind and description, and to do all other acts necessary, appropriate, or advisable in carrying out any purpose of the Association, with or in association with any other corporation, or other entity or agency, public or private;

(viii) to act as agent, trustee, or other representative of other corporations, firms, or individuals, and as such to advance the business or ownership interests in such corporations, firms, or individuals; and

(ix) to provide any and all supplemental municipal services to the Community as may be necessary or desirable.

The foregoing enumeration of powers shall not limit or restrict in any manner the exercise of other and further rights and powers which may now or hereafter be allowed or permitted by law; and the powers specified in each of the paragraphs of this Article 5 are independent powers, not to be restricted by reference to or inference from the terms of any other paragraph or provision of this Article 5.

Article 6. Members. The Association shall be a membership corporation without certificates or shares of stock. There initially shall be two classes of membership, as more fully set forth in the Declaration, provided that the Declarant may establish additional classes of membership as set forth in the Declaration. The Owner of each Lot shall be a member of the Association and shall be entitled to vote as provided in the Declaration and the By-Laws. In addition, Declarant shall be a Member for such period as provided in the Declaration, regardless of whether Declarant owns any Lot. Membership in the Association is appurtenant to, and may not be severed from the Lot. The rights and obligations of a Member may not be assigned or delegated except as provided in the Declaration, these

Articles of Incorporation, or the By-Laws of the Association, and shall automatically pass to the successor-in-interest of any Owner upon conveyance of such Owner's interest in the Lot.

Change of an Owner's membership in the Association shall be established by recording in the Public Records of the County, a deed or other instrument establishing record title to a Lot. Upon such recordation, the Owner designated by such instrument shall become a member of the Association and the membership of the prior Owner shall terminate.

Article 7. Existence and Duration. Existence of the Association shall commence with the filing of these Articles of Incorporation with the Secretary of State of the State of Texas. The Association shall exist in perpetuity.

Article 8. Board of Directors. The Association's business and affairs shall be conducted, managed, and controlled by a Board of Directors ("**Board**"). The Board may delegate its operating authority to such companies, individuals, or committees as it, in its discretion, may determine.

The Board shall initially consist of three members, as provided in the By-Laws. The names and addresses of the initial directors, who shall hold office until their successors are elected and have qualified, or until removed, are as follows:

<u>Name</u>	<u>Address</u>
Karoline Vogt	515 W. Southlake Boulevard, Suite 130, Southlake, Texas 76092
Jason Longo	515 W. Southlake Boulevard, Suite 130, Southlake, Texas 76092
Joe Castillo	515 W. Southlake Boulevard, Suite 130, Southlake, Texas 76092

The method of election and removal of directors, filling of vacancies, and the term of office of directors shall be as set forth in the By-Laws.

Article 9. By-Laws. The initial By-Laws shall be adopted by the Board and thereafter may be altered, amended, rescinded or repealed in the manner provided in the By-Laws.

Article 10. Liability of Directors. To the fullest extent that Title 32, Chapter Nine of Vernon's Texas Civil Statutes, or other applicable law, exists on the date hereof or as they may hereafter be amended, permits the limitation or elimination of the liability of directors or officers, no director or officer of the Association shall be personally liable to the Association or its members for monetary damages for breach of duty of care or other duty as a director or officer. No amendment to or repeal of this Article shall apply to or have any effect on the liability or alleged liability of any director or officer of the Association for or with respect to any acts or omissions of such director or officer occurring prior to such amendment or repeal.

Article 11. Indemnification.

(a) Indemnity. The Association shall indemnify any person 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 he or she is or was a director, employee, officer, or agent of the Association. Such indemnification shall include indemnification against expenses (including, without limitation, reasonable attorneys' fees and appellate attorneys' fees), judgments, fines, and amounts paid in settlement, actually and reasonably incurred by

the indemnified person in connection with such action, suit, or proceeding, if such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interest of the Association, and, with respect to any criminal action or proceedings, such person had no reasonable cause to believe his or her conduct was unlawful. Notwithstanding the foregoing, no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable for gross negligence or misfeasance or malfeasance in the performance of his or her duty to the Association, unless, and then only to the extent that, the court in which such action or suit was brought shall determine upon application that despite the adjudication of liability, in view of all of the circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expenses as such court shall deem proper. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interest of the Association, and with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful. Notwithstanding the foregoing, the Association need not indemnify the managing agent of the Community unless such indemnification is required to do so by the agreement between the Association and such managing agent, approved by the Board or required by law.

(b) Approval. Any indemnification under paragraph (a) above (unless ordered by a court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification is proper under the circumstances because the person requesting indemnification has met the applicable standard of conduct set forth in paragraph (a) above. Such determination shall be made (i) by majority vote of the members of the Board who were not parties to such action, suit, or proceeding, if sufficient to constitute a quorum, or (ii) if a quorum of the Board is not obtainable, or, even if obtainable, if a quorum of disinterested directors so directs, in a written opinion rendered by independent legal counsel engaged by the Association, or (iii) by a majority vote of the Class "A" Members and the consent of the Class "B" Member, during the Development and Sale Period.

(c) Advances. Expenses incurred in defending a civil or criminal action, suit, or proceeding may be paid by the Association in advance of the final disposition of such action, suit, or proceeding as authorized by the Board in any specific case upon receipt of a written agreement by or on behalf of the affected director, officer, employee, or agent to repay such amount if it is ultimately determined that he or she is not entitled to be indemnified by the Association as authorized in this Article.

(d) Miscellaneous. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled by law, under the By-Laws, or pursuant to any agreement, vote of Members, or otherwise, and shall continue as to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs and personal representatives of such person.

(e) Insurance. The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the Association, including, without limitation, as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Association would have the power to indemnify him or her against such liability under the provisions of this Article.

Article 12. Interested Directors.

(a) No contract or transaction between the Association and one or more of its directors or officers, or between the Association and any other corporation, partnership, or Association, or other organization in which one or more of its directors or officers are directors or officers or have a financial interest, shall be invalid, void, or voidable solely for such reason, or solely because the director or officer is present at or participates in the meeting of the Board at which such contract or transaction was authorized, or solely because his, her, or their votes are counted for such purpose. No director or officer of the Association shall incur liability by reason of the fact that he or she is or may be interested in any such contract or transaction.

(b) Interested directors may be counted in determining the presence of a quorum at a meeting of the Board at which a contract or transaction with an interested director is to be considered.

(c) The Association may enter into contracts and transactions with Declarant and Declarant's Affiliates.

Article 13. Amendments. The Board may amend these Articles without Member approval

(a) for those specific purposes permitted under Texas law; (b) for the purpose of bringing any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (c) to enable any reputable title insurance company to issue title insurance coverage on the Lots; (d) to enable any institutional or governmental lender, purchaser, insurer or guarantor of Mortgage loans, including, for example, the U.S. Department of Veterans Affairs, the U.S. Department of Housing and Urban Development, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure or guarantee Mortgage loans on the Lots; or (e) to satisfy the requirements of any local, state or federal agency. Such amendments may be adopted by the Board of Directors, with the written consent of the Declarant during the Development and Sale Period. Other amendments to the Articles may be adopted by the Board of Directors with the approval of Members holding at least two-thirds (2/3) of the Class "A" votes in the Association and, during the Development and Sale Period, the written consent of the Declarant; provided, however, that no amendment may be in conflict with the Declaration. No amendment may be in conflict with the Declaration nor be effective to impair or dilute any rights of Members that are governed by the Declaration.

Article 14. Dissolution. The Association may be dissolved only upon (a) a resolution duly adopted by the Board, and (b) the affirmative vote of members who are Owners of not less than two-thirds (2/3) of the Lots, and (c) the consent of Declarant during the Development and Sale Period. Upon dissolution of the Association, if the VA is guaranteeing or HUD is insuring the Mortgage on any Lot, then unless otherwise agreed to in writing by HUD or the VA, any remaining real property of the Association shall be dedicated to an appropriate public agency or conveyed to a nonprofit organization to be used for purposes similar to those for which this Association was created. In the event that acceptance of such dedication is refused, such real property and the Association's remaining assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust, or other organization to be devoted to such similar purposes. Such requirement shall not apply if the VA is not guaranteeing and HUD is not insuring any Mortgage; provided, if either agency has granted project approval for the Community, then HUD and/or the VA shall be notified of such dissolution.

Article 15. Incorporator. The name of the incorporator of the Association is Joe Arcisz and such incorporator's address is 515 W. Southlake Boulevard, Suite 130, Southlake, Texas 76092.

Article 16. Registered Agent and Office. The initial registered agent and office of the Association is Corporation Service Company d/b/a CSC-Lawyers Incorporating Service Company located in Travis County, Texas at 701 Brazos Street, Suite 1050, Texas 78701.

IN WITNESS WHEREOF, the undersigned Incorporator has executed these Articles of Incorporation this 6th day July, 2004.

INCORPORATOR:

Joe Arcisz

