

FILED
In the Office of the
Secretary of State of Texas

NOV 14 2003

ARTICLES OF AMENDMENT
OF
CARDINAL HILLS AT THE PRESERVE HOMEOWNERS' ASSOCIATION, INC. Section
(A Texas Non-Profit Corporation)

WHEREAS, the Articles of Incorporation of Cardinal Hills at the Preserve Homeowners' Association, Inc. (the "Articles") were filed with the Texas Secretary of State (Filing No. 800206996) and a Certificate of Incorporation was issued effective May 21, 2003;

WHEREAS, pursuant to the provisions of Articles 1396-4.01 through 1396-4.05 of the Texas Non-Profit Corporation Act the Board of Directors may amend the Articles of Incorporation;

WHEREAS, there being no members of the Association, the Board of Directors resolved by Unanimous Written Consent in Lieu of Meeting dated effective August 20, 2003 to amend the Articles; and

WHEREAS, the Board desires to change the name of the Association and to amend the stated purpose of the Association to more specifically describe the properties that are to be a part of the Association.

NOW THEREFORE, BE IT RESOLVED that the Articles are amended as follows:

A. Article I is hereby amended to read:

ARTICLE I
Name

The name of the corporation is THE CANYONS AT CARDINAL HILLS HOMEOWNERS' ASSOCIATION, INC., hereinafter called the "Association."

B. The first paragraph of Article IV is hereby amended to read as follows, with all other paragraphs remaining the same:

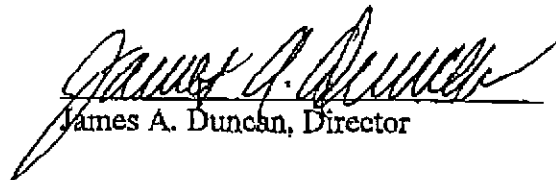
ARTICLE IV
Purposes and Powers

1. The purpose or purposes for which said Association is organized are to promote the objectives of the owner, Redbird Investors, Ltd., a Texas limited partnership, and its successors and assigns, and for the benefit and betterment of the residents and property owners in CARDINAL HILLS SUBDIVISION, UNITS 1, 2, and 3, Travis County, Texas, according to the plats recorded in Book 16, Pages 7, 8, and 9 in the Plat Records of Travis County, Texas, which are or hereafter become subject to the MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE CANYONS AT CARDINAL HILLS HOMEOWNERS' ASSOCIATION, INC. to be

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recorded in the Official Public Records, Travis County, Texas, and any amendments or supplements thereto (the "Declaration").

IN WITNESS WHEREOF, I hereunto set my hand this the 29TH day of October, 2003.


James A. Duncan, Director

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MAY 21 2003

Corporations Section

**ARTICLES OF INCORPORATION
OF
CARDINAL HILLS AT THE PRESERVE HOMEOWNERS' ASSOCIATION, INC.
(A Texas Non-Profit Corporation)**

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

ARTICLE I

Name

The name of the corporation is **CARDINAL HILLS AT THE PRESERVE HOMEOWNERS' ASSOCIATION, INC.** hereinafter called the "Association".

ARTICLE II

Non-Profit Corporation

The Association is a non-profit corporation.

ARTICLE III

Duration

The period of its duration is perpetual.

ARTICLE IV

Purposes and Powers

1. The purpose or purposes for which said Association is organized are to promote the objectives of the developer, Redbird Investors, Ltd., a Texas limited partnership, and its successors and assigns, and for the benefit and betterment of the residents and property owners in **CARDINAL HILLS AT THE PRESERVE**, a planned community in Austin, Travis County, Texas, which are or hereafter become subject to the **MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CARDINAL HILLS AT THE PRESERVE HOMEOWNERS' ASSOCIATION, INC.** to be recorded in the Official Public Records, Travis County, Texas, and any amendments or supplements thereto (the "Declaration").

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2. The Association shall be empowered to:
- a. exercise all of the powers and privileges and perform all of the duties and obligations of the Association as set forth in the Declaration and same may be supplemented or amended from time to time as therein provided;
 - b. fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to 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 and governmental charges levied or imposed against the property of the Association and to make disbursements, expenditures and payments on behalf of the Association's members as required by the Declaration and the By-Laws of the Association; and to hold as agent for said Association members' reserves for periodic repairs and capital improvements to be made as directed by the Association's Board of Directors;
 - c. acquire by gift, purchase or otherwise, to own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or to otherwise dispose of real or personal property in connection with the affairs of this Association subject to the limitations set forth in the Declaration;
 - d. 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 set forth in the Declaration (however, any mortgage of common properties shall be subject to prior approval by the U.S. Department of Housing and Urban Development and the Department of Veterans Affairs ("HUD/VA") so long as there is a Class B Membership);
 - e. dedicate, sell or transfer all or any part of the common properties owned by the Association to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Association's Board of Directors;
 - f. contract with the appropriate governmental authorities regarding the construction, maintenance, repair and replacement of landscape and irrigation improvements for any public right-of-way within or abutting the above-described subdivisions;
 - g. participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional residential property and common area as provided by the Bylaws and the Declaration (subject to prior HUD/VA approval so long as there is a Class B Membership); and

- h. have and to exercise any and all powers, rights, and privileges which a corporation organized under the Non-Profit Corporation Act of the State of Texas by law may now or hereafter have or exercise.

3. The Association is a non-profit corporation, without capital stock, organized solely for the purposes specified in this Article IV; and no part of its property, whether income or principal shall ever inure to the benefit of any Director, officer, or employee of the Association, or of any individual having a personal or private interest in the activities of the Association, nor shall any such Director, officer, employee or individual receive or be lawfully entitled to receive any profit from the operations of the Association except a reasonable allowance for salaries or other compensation for personal services actually rendered in carrying out one (1) or more of its stated purposes. The Association 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 V

Membership

Every record owner, whether one or more persons or entities of title to any developed or undeveloped lot or lots subject, by covenants of record, to assessment by the Association, including, contract sellers, developers and builders, shall be a voting member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment by the Association. Any mortgagee or Lienholder who acquires title to any lot which is a part of the above-described property, to the extent that the lot or lots are subject to the provisions of the Declaration, through judicial or non-judicial foreclosure, shall be a member of the Association.

ARTICLE VI

Voting Rights

The voting rights of various members of the Association shall be in accordance with the Declaration.

ARTICLE VII

Registered Agent

The street address of the initial registered office of the Association is 6601-A Bee Caves Road, Austin, Texas 78746 and the name of its initial registered agent at such address is James A. Duncan.

ARTICLE VIII**Board of Directors**

The number of directors constituting the initial Board of Directors is three (3). The directors need not be members of the Association. The names and addresses of the persons who are to serve as the initial directors are as follows:

<u>NAME</u>	<u>ADDRESS</u>
James A. Duncan	6601-A Bee Caves Road Austin, Texas 78746
Allen K. Beise	6601-B Bee Caves Rd. Austin, TX 78746-5003
Walter Fagan	309 Flamingo Austin, TX 78734

ARTICLE IX**Incorporator**

The name and address of the incorporator is as follows:

<u>NAME</u>	<u>ADDRESS</u>
Glenn K. Weichert	Law Offices Of Glenn K. Weichert, P.C. 3821 Juniper Tracce, Suite 107 Austin, Texas 78738

ARTICLE X**Limitation of Liability**

No director of the Association shall be personally liable to the Association or its members for monetary damaged for an act or omission in the director's capacity as a director, except that this Article does not eliminate or limit the liability of a director for (1) breach of a director's duty of loyalty to the Association, (2) an act or omission not in good faith or that involves intentional misconduct or a knowing violation of the law, (3) a transaction from which a director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the director's office, or (4) an act or omission for which the liability of a director is expressly provided for by statute. Neither the amendment nor repeal of this Article shall eliminate or reduce the effect of this Article in respect of any matter occurring, or any cause of action, suite or claim that, but for

this Article, would accrue or arise, prior to such amendment or repeal. If the Texas Non-Profit Corporation Act or the Texas Miscellaneous Corporation Laws Act is hereinafter amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Association shall be eliminated or limited to the fullest extent permitted by the Texas Non-Profit Corporation Act or the Texas Miscellaneous Corporation Laws Act, as so amended from time to time.

ARTICLE XI

Amendment

Amendment of these Articles shall require the assent of two-thirds (2/3) of the votes of the Association.

ARTICLE XII

Dissolution

The Association may be dissolved with the written consent of not less than two-thirds (2/3) of each class of members. So long as a Class B Membership exists, dissolution of the Association shall also require the prior approval of HUD/VA. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes substantially similar to those for which this Association was created or conveyed, and assigned to any non profit corporation substantially similar purposes.

IN WITNESS WHEREOF, I hereunto set my hand this the 12th day of May, 2003.



Glenn K. Weichert