

Office of the Secretary of State

June 28, 2007

Attn: Elizabeth Krause

Looper Reed & McGraw
4100 Thanksgiving Tower, 1601 Elm Street
Dallas, TX 75201 USA

RE: VILLAS AT ASH CREEK HOMEOWNERS' ASSOCIATION, INC.
File Number: 800836300

It has been our pleasure to file the certificate of formation and issue the enclosed certificate of filing evidencing the existence of the newly created nonprofit corporation.

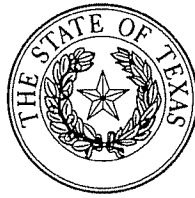
Nonprofit corporations do not automatically qualify for an exemption from federal and state taxes. Shortly, the Comptroller of Public Accounts will be contacting the corporation at its registered office for information that will assist the Comptroller in setting up the franchise tax account for the corporation. If you need to contact the Comptroller about franchise taxes or exemption therefrom, you may contact the agency by calling (800) 252-1381, by e-mail to tax.help@cpa.state.tx.us or by writing P. O. Box 13528, Austin, TX 78711-3528. Telephone questions regarding other business taxes, including sales taxes, should be directed to (800) 252-5555. Information on exemption from federal taxes is available from the Internal Revenue Service.

Nonprofit corporations do not file annual reports with the Secretary of State, but do file a report not more often than once every four years as requested by the Secretary. It is important for the corporation to continuously maintain a registered agent and office in Texas as this is the address to which the Secretary of State will send a request to file a periodic report. Failure to maintain a registered agent or office in Texas, failure to file a change to the agent or office information, or failure to file a report when requested may result in the involuntary termination of the corporation. Additionally, a nonprofit corporation will file documents with the Secretary of State if the corporation needs to amend one of the provisions in its certificate of formation.

If we can be of further service at any time, please let us know.

Sincerely,

Corporations Section
Business & Public Filings Division
(512) 463-5555
Enclosure



Office of the Secretary of State

CERTIFICATE OF FILING OF

VILLAS AT ASH CREEK HOMEOWNERS' ASSOCIATION, INC.
File Number: 800836300

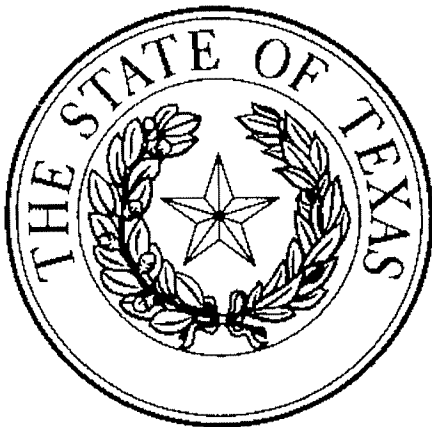
The undersigned, as Secretary of State of Texas, hereby certifies that a Certificate of Formation for the above named Domestic Nonprofit Corporation has been received in this office and has been found to conform to the applicable provisions of law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the secretary by law, hereby issues this certificate evidencing filing effective on the date shown below.

The issuance of this certificate does not authorize the use of a 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: 06/27/2007

Effective: 06/27/2007



A handwritten signature in black ink that reads "Roger Williams".

Roger Williams
Secretary of State

FILED
In the Office of the
Secretary of State of Texas

JUN 27 2007

Corporations Section

**CERTIFICATE OF FORMATION
NONPROFIT CORPORATION
OF
VILLAS AT ASH CREEK HOMEOWNERS' ASSOCIATION, INC.**

ARTICLE ONE

Entity Name and Type

The filing entity being formed is a nonprofit corporation. The name of the entity is VILLAS AT ASH CREEK HOMEOWNERS' ASSOCIATION, INC.

ARTICLE TWO

Registered Agent and Registered Office

The initial registered agent is an individual resident of the state whose name is Charles B. MaGee and the business address of the registered agent and the registered office address is 3350 Blackburn Street, Dallas, Texas 75204.

ARTICLE THREE

Management

The management of the affairs of the corporation is vested in the board of directors. The number of directors shall be no less than three (3) and no more than four (4). 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 until the first annual meeting of members or until their successors are elected are:

CHARLES B. MAGEE
3350 Blackburn Street
Dallas TX 75204

KEN LAMBERT
1721 W. Plano Parkway, Suite 221
Plano TX 75057

GARY LAMBERT
1721 W. Plano Parkway, Suite 221
Plano TX 75057

ARTICLE FOUR

Members

The nonprofit corporation shall have members.

ARTICLE FIVE

Purpose

The nonprofit corporation is formed for any lawful purpose or purposes not expressly prohibited under chapters 2 or 22 of the Texas Business Organizations Code, including any purpose described by section 2.002 of the Code, but is expressly formed for the primary purpose of managing, operating, and maintaining the real property described in the Declaration as a homeowners' association.

ARTICLE SIX

Manner of Distribution

The nonprofit corporation is authorized on its winding up to distribute the nonprofit corporation's assets in a manner provided by Section 22.304 of the Code.

ARTICLE SEVEN

Supplemental Provisions

A. The following definitions shall apply herein:

"Assessments" shall mean and refer to the regular annual assessments, the special assessments and the default assessments levied for the Association as determined by the Board of Directors.

"Association" shall mean and refer to *Villas at Ash Creek Homeowners' Association, Inc.*, a Texas non-profit corporation, its successors and assigns.

"Board" or "Board of Directors" shall mean the governing body of the Association, the elections and procedures of which shall be as set forth in the Certificate of Formation and the Bylaws of the Association.

"City" shall mean the City of Dallas, Texas or its assignees.

“Common Property” shall mean and refer to all property, real or personal, owned or held by the Association for the common use and enjoyment of the members of the Association and designated as common property on the plat attached as “Exhibit A”. The Association holds title to and administers the Common Property. If and when the parcel described herein as Phase II is platted, Common Property shall be deemed to additionally include any portion of the Phase II parcel depicted as Common Property on such plat.

“Common Facilities or Common Elements” shall mean any and all facilities, services, equipment, (to include fencing, gates, lighting, sprinklers, landscaping and other features) in Common Property, provided for the convenience and benefit of all Owners.

“Conservation Easement” shall mean that certain conservation easement area depicted on Exhibit “A” to the Declaration. If and when the parcel described herein as Phase II is platted, the Conservation Easement shall be deemed to additionally include any portion of the Phase II parcel dedicated as a Conservation Easement on said plat, including the indicated parcel of land along Lakeland Road.

“Declarant” shall mean and refer to CMC Ash Creek, LLC, a Texas limited liability company, and its successors and assigns.

“Institutional Mortgage” shall mean a mortgage or deed of trust creating a first lien on a Lot that is held by a third party institutional lender.

“Lot” or “Lots” shall mean, with respect to any Property shall mean each separate lot within the Property shown on Exhibit “A” attached hereto, which is or is to be improved with a residential dwelling. Titles to the Lots are held by the individual lot owners and not by the Association. Membership in the Association cannot be severed from the ownership of a Lot. Titles to the Lots are held by the individual lot owners and not by the Association. Membership in the Association cannot be severed from the ownership of a Lot.

“Member” shall mean and refer to each Owner as provided herein in Article II of this Declaration.

“Owner” shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot, but, notwithstanding any applicable theory of mortgages or other security devices, shall not mean or refer to any mortgagee or trustee under a mortgage or deed of trust unless and until such mortgagee or trustee has acquired title pursuant to foreclosure or any conveyance in lieu of foreclosure.

“Phase I” shall mean the development and construction of Units on the Property designated on the Exhibit “A” to the Declaration.

“Phase II” shall mean the development and construction of Units on that certain parcel of land attached hereto as Exhibit “B” to the Declaration, less such portion of Exhibit “B” that is

also depicted on Exhibit "A" (the "Phase II Property"). Phase II need not be developed. A description of the development rights for Phase II is set forth in Section 12 herein.

"Project" shall mean the Property and all buildings, improvements, fixtures and other appurtenances attached thereto and made a part thereof.

"Property" shall have the meaning given to it in Paragraph A of the Introductory Statement above.

"Protective Covenants" shall mean all of the items described in Article VII.

"Resident" shall mean and refer to each person (not otherwise an Owner or Member) authorized by an Owner to reside within such Owner's Townhome Unit.

"Townhome Unit" shall mean and refer to any building or portion of a building situated upon the Property which is designed and intended for use and occupancy as a residence.

"Turnover Date" shall mean 120 days after the date that more than seventy-five percent (75%) of the Townhome Units in Phase I of the Project have been conveyed by Developer to third parties. It is provided, however, that if the Declarant shall have commenced construction and development of Phase II at any time that less than seventy-five percent (75%) of the Townhome Units in Phase I of the Project have been conveyed to third parties, the Turnover Date shall be postponed until such time as seventy-five percent (75%) of the Townhome Units in Phase I and II shall have been conveyed by the Declarant to third parties."

"Two-Thirds Member Vote By Class" shall mean the approval of two-thirds (2/3) of each class of Members entitled to vote who either (i) are voting in person or by proxy at a meeting duly called for this purpose and at which the necessary quorum exists, or (ii) execute a written consent in lieu of a meeting for such purpose.

"Two-Thirds Member Vote" shall mean the approval of two-thirds (2/3) of all Members (regardless of class) entitled to vote who either (i) are voting in person or by proxy at a meeting duly called for this purpose and at which the necessary quorum exists, or (ii) execute a written consent in lieu of a meeting for such purpose.

"Unit" (*see* "Townhome Unit").

B. The Corporation does not contemplate pecuniary gain or profit to its Members, and the specific purposes for which it is formed are to provide for the maintenance, preservation, and architectural control of and to promote the health, safety and welfare of the residents of the Property.

C. Regardless of any other provision in this Certificate of Formation or state law, the Corporation shall have no power to:

1. Engage in activities or use its assets in manners that are not in furtherance of one or more exempt purposes, as set forth above and defined by the Internal Revenue Code and related regulations, rulings, and procedures, except to an insubstantial degree.

2. Devote more than an insubstantial part of its activities to attempting to influence legislation by propaganda or otherwise, except as provided by the Internal Revenue Code and related regulations, rulings, and procedures.

3. Participate in or intervene in any political campaign on behalf of or in opposition to any candidate for public office. The prohibited activities include the publishing or distributing of statements and any other direct or indirect campaign activities.

4. Distribute its assets on dissolution other than for one or more exempt purposes; on dissolution, the Corporation's assets shall be distributed to the state government for a public purpose, or to an organization to be used to accomplish the general purposes for which the Corporation was organized.

5. Permit any part of net earnings of the Corporation to inure to the benefit of any private shareholder or member of the Corporation or any private individual.

6. Carry on an unrelated trade or business except as a secondary purpose related to the Corporation's primary, exempt, purposes.

D. Every person or entity who is now or hereafter becomes an Owner shall automatically be a Member of the Corporation, and membership shall be appurtenant to and may not be separated from ownership of any Townhome Unit which is subject to assessment by the Corporation.

ARTICLE EIGHT

Organizer

The name and address of the organizer is:

TERRY LYNN THORNTON
1601 Elm Street, Suite 4100
Dallas TX 75201

ARTICLE NINE

Effectiveness of Filing

This document becomes effective when the document is filed by the Secretary of State.

The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument.



FERRY LYNN THORNTON