



The State of Texas
Secretary of State

CERTIFICATE OF INCORPORATION

OF

WINDEMERE OAKS WATER SUPPLY CORPORATION
CHARTER NUMBER 01377008

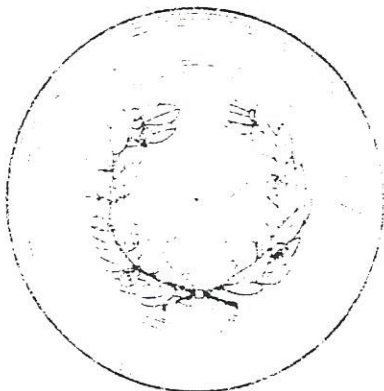
THE UNDERSIGNED, AS SECRETARY OF STATE OF THE STATE OF TEXAS, HEREBY CERTIFIES THAT THE ATTACHED ARTICLES OF INCORPORATION FOR THE ABOVE NAMED CORPORATION HAVE BEEN RECEIVED IN THIS OFFICE AND ARE FOUND TO CONFORM TO LAW.


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 NOV. 9, 1995

EFFECTIVE NOV. 9, 1995




Antonio O. Garza, Jr., Secretary of State

ARTICLES OF INCORPORATION OF
WINDEMERE OAKS WATER SUPPLY CORPORATION

FILED
in the Office of the
Secretary of State of Texas

NOV 09 1935

CORPORATIONS SECTION

These Articles of Incorporation are adopted pursuant to the provisions of the Texas Non-profit Corporations Act, TEX. REV. CIV. STAT. ANN. art. 1396-1.01, et seq. ("Act") and art. 1434a, TEX. REV. CIV. STAT. ANN.

ARTICLE 1 - NAME

The name of the corporation is Windemere Oaks Water Supply Corporation.

ARTICLE 2 - NONPROFIT CORPORATION

The Corporation is a non-profit, member-owned, member controlled water supply and sewer service corporation incorporated under the provisions and definitions of TEX. REV. CIV. STAT. ANN. art. 1434a ("1434a"), as amended from time to time, the Act where not inconsistent with 1434a, and Section 13.002 of the Texas Water Code, as amended from time to time.

ARTICLE 3 - DURATION

The period of duration is perpetual.

ARTICLE 4 - PURPOSES

The purpose of the Corporation is to furnish a water supply or sewer service, or both, to towns, cities, private corporations, individuals, and military camps and bases, and for the purpose of providing a flood control and drainage system for towns, cities, counties, other political subdivisions, private corporations, individuals, and other persons.

ARTICLE 5 - POWERS

Except as otherwise provided in these Articles, the Corporation shall have all powers invested in a water supply or sewer service corporation by 1434a, the Act, the Texas Water Code, and the administrative rules of the Texas Natural Resource Conservation Commission and its successor agency(ies), not inconsistent with Internal Revenue Code Section 501(c)(12)(A) and related federal regulations, rulings, and procedures.

ARTICLE 6 - RESTRICTIONS AND REQUIREMENTS

No dividends shall ever be paid upon the memberships of the Corporation. No income of the Corporation may be distributed to members, directors, or officers in these roles. All profits arising from the operations of the business of the Corporation shall be annually paid out to cities, towns, counties, other political subdivisions, private corporations, and other persons who have during the past year transacted business with the Corporation, in direct proportion to the amount of business so transacted; provided that no such dividends shall ever be paid while any indebtedness of the Corporation remains unpaid and, provided also, that the Directors of the Corporation may allocate to such sinking fund(s) such amount of profits as they deem necessary for maintenance, upkeep, operation, and replacements.

The Corporation shall have no power to engage in activities or use its assets in a manner that are not in furtherance of the legitimate business of a water supply cooperative or sewer service cooperative as recognized by 1434a and Internal Revenue Code 501(c)(12)(A).

ARTICLE 7 - MEMBERS AND CONTROL

The Corporation shall have one class of "members" which shall be defined by Texas Water Code, Section 13.002(11). All customers of the corporation must be members unless exempt by law.

A person is entitled to one vote in any Corporation election regardless of the number of memberships the person owns.

ARTICLE 8 - INITIAL REGISTERED OFFICE AND AGENT

The street address of the initial registered office of the Corporation is 379 Derby Lane, Spicewood, Burnet County, Texas 78669.

The name of the initial registered agent whose business address is the same as the Corporation's registered office's address is Charles Threat.

ARTICLE 9 - BOARD OF DIRECTORS

The affairs of the Corporation shall be managed by a Board of Directors elected by members beginning with the first annual meeting. The qualifications, manner of selection, duties, terms, and other matters relating to the Board of Directors shall be provided in the bylaws. The number of directors may be increased or decreased by amendment to the bylaws but there shall never be more than twenty-one (21) members of the Board of Directors unless otherwise allowed by 1434a.

The number of initial directors who shall govern the corporation until the first annual meeting are three (3) and their names and addresses are:

1. Charles Threat
379 Derby Lane
Spicewood, Texas 78669
2. Arthur Alworth
7 Kendal
Spicewood, Texas 78669
Marble Falls, Texas 78654
3. Robert Wynne
19 Briar Hill
Houston, Texas 77042

ARTICLE 10 - INCORPORATORS

The number of incorporators are three (3) and their names and addresses are:

1. Mark Zeppa
6101 W. Courtyard Dr., Ste 221
Austin, Texas 78730
2. Sue Nielsen
6101 W. Courtyard Dr., Ste 221
Austin, Texas 78730
3. Jon Ellis
6101 W. Courtyard Dr., Ste 221
Austin, Texas 78730

IN WITNESS WHEREOF, we have hereunto set our hands on
this 9th day of November, 1995.


Incorporator


Incorporator

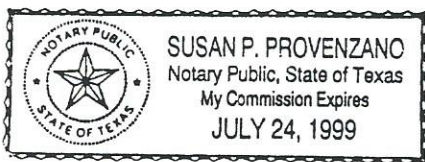

Incorporator


THE STATE OF TEXAS)
)
COUNTY OF TRAVIS)

I, the undersigned notary public, do hereby certify
that on this day Mark Zeppa, Sue Nielsen, and Jon Ellis
personally appeared before me and who being by me duly
sworn, declared that they are the persons who signed the
foregoing document as incorporators and that the statements
therein contained are true.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 9th day of
November, 1995.

seal




Susan P. Provenzano
Notary Public in and for
the State of Texas

Commission Expires: 07-24-99



The State of Texas

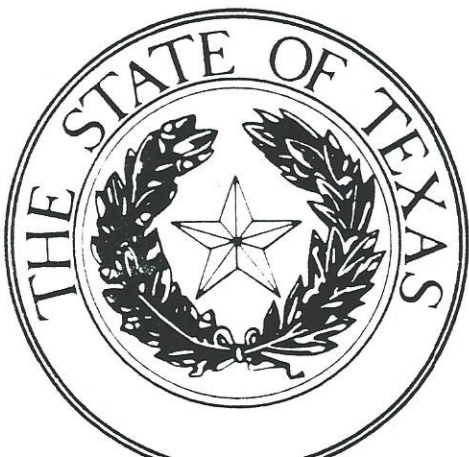
**SECRETARY OF STATE
CERTIFICATE OF AMENDMENT
OF**

**WINDERMERE OAKS WATER SUPPLY CORPORATION
FORMERLY:
WINDEMERE OAKS WATER SUPPLY CORPORATION**

The undersigned, as Secretary of State of Texas, hereby certifies that Articles of Amendment to the Articles of Incorporation of the above corporation duly executed pursuant to the provisions of the Texas Non-Profit Corporation Act, 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 Amendment to the Articles of Incorporation and attaches hereto a copy of the Articles of Amendment.

Dated: January 5, 1996



Antonio O. Garza, Jr.

d1m

Antonio O. Garza, Jr.
Secretary of State

FILED
in the Office of the
Secretary of State of Texas

JAN 05 1996

Corporations Section

FIRST ARTICLE OF AMENDMENT TO THE
ARTICLES OF INCORPORATION OF
WINDEMERE OAKS WATER SUPPLY CORPORATION

Pursuant to the provisions of Articles 1396-4.01 through 1396-4.05 of the Texas Non-profit Corporation Act, the undersigned corporation adopts the following First Article of Amendment to its Articles of Incorporation:

ARTICLE ONE

The original name of the corporation is Windemere Oaks Water Supply Corporation.

ARTICLE TWO

The following amendment to the Articles of Incorporation was adopted by a majority of all directors at the initial meeting of the directors on January 3, 1996, a time at which there were no members of the corporation, for the purpose of correcting a misspelling in the name of the corporation so that it would match the proper spelling of the names of those subdivisions constituting the majority of the corporation's proposed public utility service area:

1. This amendment alters Article 1 - NAME of the original Articles of Incorporation to read as follows:

"The name of the corporation is Windermere Oaks Water Supply Corporation."

DATED: January 5, 1996.

WINDEMERE OAKS WATER SUPPLY
CORPORATION

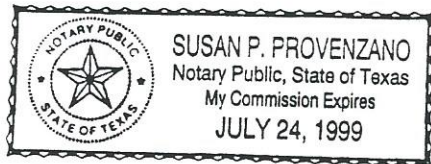
By: 


Mark H. Zeppa, General Counsel
Officer of the Corporation

STATE OF TEXAS

COUNTY OF TRAVIS

On the 5th day of January, 1996, Mark H. Zeppa, known to me, did appear and having been placed under oath did state that he was the General Counsel of Windemere Oaks Water Supply Corporation, an officer duly elected by a majority of the board of directors, and that the foregoing amendment to the corporation's articles of incorporation was adopted by majority vote of the directors and that the other facts recited above are true and correct in witness of which I place my hand and seal of office.




Susan P. Provenzano
Notary Public in and for the
State of Texas
Commission expires: 7-24-99