



The State of Texas

Secretary of State

JUNE 27, 1997

A. KAREN WEST/THE WOODLANDS CORPORATION
2201 TIMBERLOCH PL
THE WOODLANDS ,TX 77380

RE:
PIRATES BEACH AND COVE PROPERTY OWNERS' ASSOCIATION
CHARTER NUMBER 01450355-01

IT HAS BEEN OUR PLEASURE TO APPROVE AND PLACE ON RECORD THE ARTICLES OF INCORPORATION THAT CREATED YOUR CORPORATION. WE EXTEND OUR BEST WISHES FOR SUCCESS IN YOUR NEW VENTURE.

AS A CORPORATION, YOU ARE SUBJECT TO STATE TAX LAWS. SOME NON-PROFIT CORPORATIONS ARE EXEMPT FROM THE PAYMENT OF FRANCHISE TAXES AND MAY ALSO BE EXEMPT FROM THE PAYMENT OF SALES AND USE TAX ON THE PURCHASE OF TAXABLE ITEMS. IF YOU FEEL THAT UNDER THE LAW YOUR CORPORATION IS ENTITLED TO BE EXEMPT YOU MUST APPLY TO THE COMPTROLLER OF PUBLIC ACCOUNTS FOR THE EXEMPTION. THE SECRETARY OF STATE CANNOT MAKE SUCH DETERMINATION FOR YOUR CORPORATION.

IF WE CAN BE OF FURTHER SERVICE AT ANY TIME, PLEASE LET US KNOW.



RECEIVED

JUN 29 1997
VERY TRULY YOURS,

LEGAL DEPARTMENT

Antonio O. Garza, Jr., Secretary of State



The State of Texas
Secretary of State

CERTIFICATE OF INCORPORATION
OF

PIRATES BEACH AND COVE PROPERTY OWNERS' ASSOCIATION
CHARTER NUMBER 01450355

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 JUNE 19, 1997

EFFECTIVE JUNE 19, 1997



Antonio O. Garza, Jr., Secretary of State

FILED
In the Office of the
Secretary of State of Texas
JUN 19 1997
Corporations Section

ARTICLES OF INCORPORATION
OF
PIRATES BEACH AND COVE
PROPERTY OWNERS' ASSOCIATION

We, the undersigned natural persons of the age of eighteen years or more, at least two (2) of whom are citizens of the State of Texas, acting as incorporators of a corporation under the Texas Non-Profit Corporation Act, Tex.Civ.Stat. Ann. art. 1396-1.01 et seq., as it may be amended, do hereby adopt the following Articles of Incorporation for such corporation:

ARTICLE I

Name

The name of the corporation is Pirates Beach and Cove Property Owners' Association ("Association").

ARTICLE II

Non-Profit Corporation

The Association is formed as a non-stock, non-profit corporation under the provisions of the Texas Non-Profit Corporation Act, Article 1396-1.01, et seq. The Association does not contemplate pecuniary gain or profit to its Members (as defined in Article VIII hereinbelow) and is organized for non-profit purposes.

ARTICLE III

Principal Business Address

The mailing address of the principal business address of the Association is 2201 Timberloch Place, The Woodlands Texas 77380.

ARTICLE IV
Duration

The period of duration of the Association shall be perpetual.

ARTICLE V
Purposes

The purposes for which the Association is organized are:

- (a) to be and constitute the property owners' association or civic club to which reference is made in those certain restrictions and covenants for Pirates Beach and Pirates Cove Subdivisions, as amended from time to time, and recorded as follows in the Real Property Records of Galveston County, Texas ("Restrictions"):

SUBDIVISION	SECTION	RECORDING INFORMATION	
Pirates Beach	1 & 2	Book 1798, Page 670	
	3	Book 2014, Page 105	
	4	Book 2464, Page 96	
	6	Book 2674, Page 451	
	7	Book 2796, Page 605	
	8	Clerk's File No. 8632054	
	9	Clerk's File No. 8632055	
	10	Clerk's File No. 9039839	
	12	Clerk's File No. 9142840	
	13	Clerk's File No. 9226211	
	Pirates Cove	1 & 2	Book 1884, Page 823
		3	Book 1978, Page 210
		4	Book 2464, Page 87
5		Book 2674, Page 463	
6		Clerk's File No. 9230659	

- (b) to perform all obligations and duties of the Association, and to exercise all rights and powers of the Association, as specified in the Restrictions and the Bylaws (as defined in Article VI hereinbelow), and as provided by law; and
- (c) to further the interests of the owners of property subject to the Restrictions.

ARTICLE VI

Bylaws

The Bylaws of the Association ("Bylaws") shall be adopted by the Board of Directors and may be altered, amended, or rescinded in the manner provided in the Bylaws.

ARTICLE VII

Powers

The powers of the Association shall include and be governed by the following provisions:

- (a) The Association shall have all of the powers of a non-profit corporation under Texas law and all of the powers necessary or desirable to perform the obligations and duties and to exercise the rights and powers set out in these Articles of Incorporation, the Bylaws, and the Restrictions, including, without limitation, the power:
 - (i) subject to the provisions set forth in the Restrictions, to fix, collect, and enforce payment, by any lawful means, of assessments and other charges to be levied against the property subject to the Restrictions and to use the proceeds therefrom for the purposes set forth in the Restrictions, these Articles of Incorporation and the Bylaws;

- (ii) to enforce covenants, conditions, or restrictions affecting any property to the extent the Association may be authorized to do so under the Restrictions or Bylaws;
- (iii) to engage in activities which will actively foster, promote, and advance the common interests of all owners of property subject to the Restrictions;
- (iv) to buy or otherwise acquire, sell, dedicate for public use, or otherwise dispose of, mortgage, or otherwise encumber, exchange, lease, own, hold, use, operate, and otherwise deal in and with real, personal, and mixed property of all kinds and any right or interest therein for any purpose of the Association, subject to such limitations as may be set forth in the Restrictions or Bylaws;
- (v) to borrow money for any purpose, subject to such limitations as may be contained in the Restrictions or Bylaws;
- (vi) to enter into, make, perform, or enforce contracts of every kind and description; and
- (vii) to do all other acts necessary, appropriate, or advisable in carrying out any purpose of the Association, with or in association with any other association, corporation, or other entity or agency, public or private.

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

- (b) The Association shall make no distributions of income to its Members, directors, or officers.

ARTICLE VIII

Members

- (a) Subject to the provisions of the Restrictions, the owners of property subject to the Restrictions shall be members of the Association ("Members") and shall be entitled to vote as set forth in the Restrictions and Bylaws.
- (b) Change of membership in the Association shall be established by recording in the Official Public Records of Real Property of Galveston County, Texas, a deed or other instrument establishing record title to real property subject to the Restrictions. Upon such recordation, the owner designated by such instrument shall become a Member of the Association and the membership of the prior owner shall be terminated.
- (c) A Member's privileges and rights in the Association cannot be assigned, hypothecated, or transferred in any manner, except as an appurtenance of property owned by such Member.

ARTICLE IX

Directors

- (a) The affairs of the Association shall be conducted, managed, and controlled by a Board of Directors. The Board shall consist of no less than three (3) nor more than seven (7) members, which number may be adjusted as provided in the Bylaws. The initial Board shall consist of the following three (3) members who shall serve until the first annual meeting of the Association or until their successors are appointed:

William A. Ross, Jr.

2201 Timberloch Place
The Woodlands, Texas 77380

Tom Richards

2201 Timberloch Place
The Woodlands, Texas 77380

Tom Ledwell

2201 Timberloch Place
The Woodlands, Texas 77380

- (b) The method of election, removal, and filling of vacancies on the Board of Directors and the term of office of directors shall be as set forth in the Bylaws.
- (c) The Board may delegate its operating authority to such corporations, individuals, and committees as it, in its discretion, may determine.

ARTICLE X

Liability of Directors, Officers and Committee Members

To the fullest extent that Texas law, as it exists on the date hereof or as it may hereafter be amended, permits the limitation or elimination of the liability of directors, officers and committee members, no director, officer or committee member 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, officer or committee member. No amendment to or repeal of this Article shall apply to or have any effect on the liability or alleged liability of any director, officer or committee member of the Association for or with respect to any acts or omissions of such director, officer, or committee member occurring prior to such amendment or repeal.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the Association this _____ day of _____, 20__.

ARTICLE XI

Incorporators

The name and address of the incorporators of the Association are:

William A. Ross, Jr.	2201 Timberloch Place The Woodlands, Texas 77380
Tom Richards	2201 Timberloch Place The Woodlands, Texas 77380
Tom Ledwell	2201 Timberloch Place The Woodlands, Texas 77380

ARTICLE XII

Registered Agent and Office

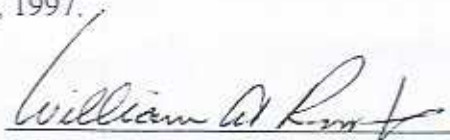
The Association hereby appoints Thomas P. Battle, as its lawful registered agent upon whom all notices and processes, including service of summons, may be served, and which when served, shall be lawful, personal service upon the Association. The registered office of the Association for service of process is:

Thomas P. Battle
2002 Timberloch Place
The Woodlands, Texas 77380

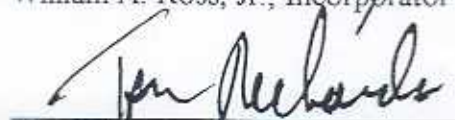
The Board of the Association may, at any time, appoint another agent for such purpose and the filing of such appointment shall revoke this or any other previous appointment of such agent.

IN WITNESS WHEREOF, the undersigned has executed these Articles of Incorporation this


16th day of June, 1997.



William A. Ross, Jr., Incorporator



Tom Richards, Incorporator



Tom Ledwell, Incorporator

W:\AK\HFB&C.ART\05-23-97



The State of Texas

SECRETARY OF STATE

CERTIFICATE OF RESTATED ARTICLES
OF INCORPORATION
OF

PIRATES PROPERTY OWNERS' ASSOCIATION
FORMERLY:
PIRATES BEACH AND COVE PROPERTY OWNERS' ASSOCIATION

The undersigned, as Secretary of State of Texas, hereby certifies that Restated 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 Restated Articles of Incorporation and attaches hereto a copy of the Restated Articles of Incorporation.

Dated: December 03, 1998



YD

Alberto R. Gonzales
Secretary of State

AMENDMENT AND RESTATEMENT OF THE
ARTICLES OF INCORPORATION OF

PIRATES BEACH AND COVE
PROPERTY OWNERS' ASSOCIATION

FILED
In the Office of the
Secretary of State of Texas
DEC 03 1998
Corporations Section

1. Pirates Beach and Cove Property Owners' Association, a corporation under the Texas Non-Profit Corporation Act, pursuant to the provisions of Article 4.06 of the Texas Non-Profit Corporation Act, hereby adopts Amended and Restated Articles of Incorporation which accurately copy the Articles of Incorporation and all amendments thereto that are in effect to date and as further amended by the Amendment and Restatement of the Articles of Incorporation hereinafter set forth.
2. The Amendment and Restatement of the Articles of Incorporation were adopted at a meeting of members held on the 13th day of June, 1998, at which a quorum was present, and the Restatement and Amendment of the Articles of Incorporation received at least two-thirds of the votes which members present at such meeting were entitled to cast.
3. The Articles of Incorporation and all amendments and supplements thereto are hereby superseded by the following Amendment and Restatement of the Articles of Incorporation which accurately copy the entire text thereof as further amended by such Amendment and Restatement of the Articles of Incorporation:

AMENDMENT AND RESTATEMENT OF THE
ARTICLES OF INCORPORATION OF

PIRATES PROPERTY OWNER'S ASSOCIATION

We, the undersigned natural persons of the age of eighteen years or more, at least two (2) of whom are citizens of the State of Texas, acting as incorporators of a corporation under the Texas Non-Profit Corporation Act, Tex.Civ.Stat.Ann. art. 1396-1.01 *et seq.*, as it may be amended, do hereby adopt the following Articles of Incorporation for such corporation:

ARTICLE I.

Name

The name of the corporation is Pirates Property Owners' Association ("Association").

ARTICLE II.

Non-Profit Corporation

The Association is formed as a non-stock, non-profit corporation under the provisions of the Texas Non-Profit Corporation Act, Article 1396-1.01, *et seq.* The Association does not contemplate pecuniary gain or profit to its Members (as defined in Article VIII hereinbelow) and is organized for non-profit purposes.

ARTICLE III.
Principal Business Address

The mailing address of the principal business address of the Association is Pirates Property Owner's Association, % C.K.M. Property Management, Inc., P.O. Box 690845, Houston, Texas 77269-0845.

ARTICLE IV.
Duration

The period of duration of the Association is perpetual.

ARTICLE V.
Purposes

The purposes for which the Association is organized are:

- (a) to be and constitute the property owners' association or civic club to which reference is made in the restrictions and covenants for Pirates Beach and Pirates Cove Subdivisions on West Galveston Island, being the subdivisions known generally as Pirates Beach, Pirates Cove, Pirates Landing Townhomes, Pirates Beach West, and for limited purposes, LaFittes Cove, and recorded in the Official Public Records of Real Property of Galveston County, Texas as set forth below, - as supplemented and amended from time to time ("Restrictions"):

SUBDIVISION	SECTION	RECORDING INFORMATION	
Pirates Beach	1 & 2	Book 1798, Page 670	
	3	Book 2014, Page 105	
	4	Book 2464, Page 96	
	6	Book 2674, Page 451	
	7	Book 2796, Page 605	
	8	Clerk's File No. 8632054	
	9	Clerk's File No. 863205	
	10	Clerk's File No. 9039839	
	12	Clerk's File No. 9142840	
	13	Clerk's File No. 9226211	
	Pirates Cove	1&2	Book 1884, Page 823
		3	Book 1978, Page 210
		4	Book 2464, Page 87
LaFitte's Cove	5	Book 2674, Page 463	
	6	Clerk's File No. 9230659	

- (b) to perform all obligations and duties of the Association, and to exercise all rights and powers of the Association, as specified in the Restrictions and the Bylaws (as defined in Article VI hereof) and as provided by law; and
- (c) to further the interests of the owners of property from time to time subject to the Restrictions (the "Restricted Property").

ARTICLE VI.

Bylaws

The Bylaws of the Association ("Bylaws") shall be adopted by the Board of Directors and may be altered, amended, or rescinded in the manner provided in the Bylaws.

ARTICLE VII.

Powers

The powers of the Association shall include and be governed by the following provisions:

- (a) The Association shall have all of the powers of a non-profit corporation under Texas law and all of the powers necessary or desirable to perform the obligations and duties and to exercise the rights and powers set out in these Articles of Incorporation, the Bylaws, and the Restrictions, including, without limitation, the power:
 - i. subject to the provisions set forth in the Restrictions, to fix, collect, and enforce payment, by any lawful means, of assessments and other charges to be levied against the Restricted Property and to use the proceeds therefrom for the purposes set forth in the Restrictions, these Articles of Incorporation and the Bylaws;
 - ii. to enforce the Restrictions to the extent the Association may be authorized to do so under the Restrictions, applicable law and the Bylaws;
 - iii. to engage in activities which will actively foster, promote, and advance the common interests of all owners of the Restricted Property;
 - iv. to buy or otherwise acquire, sell, dedicate for public use, or otherwise dispose of, mortgage, or otherwise encumber, exchange, lease, own, hold, use, operate, and otherwise deal in and with real, personal and mixed property of all kinds and any right or interest therein for any purpose of the Association, subject to such limitations as may be set forth in the Restrictions or Bylaws;
 - v. to borrow money for any purpose, subject to such limitations as may be contained in the Restrictions or Bylaws;
 - vi. to enter into, make, perform, or enforce contracts of every kind and description; and
 - vii. to do all other acts necessary, appropriate, or advisable in carrying out any purpose of the Association, with or in association with any other association, corporation, or other entity or agency, public or private.

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

The Association shall make no distributions of income to its members, directors, or officers.

ARTICLE VIII.

Members

- (a) Subject to the provisions of the Restrictions, the owners of improved or unimproved lots and building sites constituting part of the Restricted Property and a unit or units in any townhouse or condominium project constituting part of the Restricted Property, all as shown on the maps, plats and records in the Official Public Records of Real Property in Galveston County, Texas (collectively, "Lots" and singularly, "Lot") shall be members of the Association ("Members") and shall be entitled to vote as set forth in the Restrictions and Bylaws.
- (b) Change of membership in the Association shall be established by recording in the Official Public Records of Real Property of Galveston County, Texas, a deed or other instrument establishing record title to the applicable Lot or Lots. Upon such recordation, the owner of the Lot, as designated by such instrument, shall become a Member of the Association and the membership of the prior owner of the Lot shall be terminated. It shall be incumbent upon each Member to establish such Member's right to membership in the Association.
- (c) A Member's privileges and rights in the Association cannot be assigned, hypothecated, or transferred in any manner, except as an appurtenance of property owned by such Member.

ARTICLE IX.

Directors

- (a) The affairs of the Association shall be conducted, managed, and controlled by a Board of Directors. The Board shall consist of eleven (11) elected members, four (4) of whom shall be Lot owners in the portion of the Restricted Property known as Pirates Beach, four (4) of whom shall be Lot owners in the portion of the Restricted Property known as Pirates Cove, one of whom shall be a Lot owner in the portion of the Restricted Property known as Pirates Beach West, one (1) of whom shall be owner of a townhouse or condominium unit in the project known as Pirate's Landing Townhomes, and one (1) of whom shall be a Lot owner in the portion of the Restricted Property known as LaFitte's Cove, each of whom shall be elected by the Members for a term of either one (1), two (2), or three (3) years or until their successors are elected and qualified. In addition, the Board of Directors of the Association may designate a developer's representative to serve

on the Board of Directors of the Association at the discretion of the Board of Directors with voice but without vote. The following persons shall serve on the Board of Directors until the next Annual Meeting of the Members of the Association or until their successors are elected and qualified:

<u>Name :</u>	<u>Address</u>	<u>Subdivision</u>	<u>Term expires at the conclusion of the Annual Meeting of the Members in the year:</u>
Martin Baker, President	4132 Sandpiper Lane 4095 Pirates Beach Galveston, TX 77554	Pirates Beach	2001
Sidney McClendon, Vice President	3506 Lucia Galveston, TX 77554	Pirates Cove	2000
Nichi Dunphy, Vice President	4223 Spoonhill Lane Galveston, TX 77554	Pirates Beach	2001
Gary Greene, Treasurer	14201 Treasure Court Galveston, TX 77554	Pirates Beach West	2001
Linda Cadigan	4072 Pirates Beach Galveston, TX 77554	Pirates Beach	2000
Derek Padgett- Clark	14005 Grambo Galveston, TX 77554	Pirates Cove	2000
Dave Steetle	3419 Muscatree Circle Galveston, TX 77554	Pirates Cove	2000
Sandy Elkins	3406 Treasure Circle Galveston, TX 77554	Pirates Cove	1999
Durand Fooks	704 Calico Jack Cove Rt #1, Box 149-K Galveston, TX 77554	Pirates Landing Townhomes	1999
Jim Huddleston	3053 Foremast Drive Galveston, TX 77554	LaFittes Cove	1999
JeanetteRapier	4114 Sea Eagle Galveston, TX 77554	Pirates Beach	1999
Tom Richards	The Woodlands Corp. Pirate's Beach 14119 Stewart Road Galveston, TX 77554	Developer Representative	1999

- (b) Subject to these Articles of Incorporation, the method of election, removal, and filing of vacancies on the Board of Directors and the term of office of the Directors shall be set forth in the Bylaws.
- (c) The Board of Directors may delegate its operating authority to such corporations, individuals, and committees as it, in its discretion, may determine.

ARTICLE X.

To the fullest extent that Texas law, as it exists on the date hereof or as it may hereafter be amended, permits the limitation or elimination of the liability of directors, officers and committee members, no director, officer or committee member 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, officer or committee member. No amendment to or repeal of this Article shall apply to or have any effect on the liability or alleged liability of any director, officer or committee member of the Association for or with respect to any acts or omissions of such director, officer, or committee member occurring prior to such amendment or repeal.

ARTICLE XI. Incorporators

The name and address of the incorporators of the Association are:

William A. Ross, Jr.	2201 Timberloch Place The Woodlands, Texas 77380
Tom Richards	2201 Timberloch Place The Woodlands, Texas 77380
Tom Ledwell	2201 Timberloch Place The Woodlands, Texas 77380

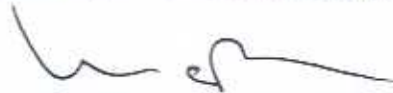
ARTICLE XII. Registered Agent and Office

The Association hereby appoints Susan McKirahan, as its lawful and registered agent upon whom all notices and processes, including service of summons, may be served, shall be lawful, personal service upon the Association. The registered office of the Association for service of process is:

Susan McKirahan
C.K.M. Property Management, Inc.
P.O. Box 690845 - 8030 Durklyn (77070)
Houston, Texas 77269-0845

The Board of the Association may, at any time, appoint another agent for such purpose and the filing of such appointment shall revoke this or any other previous appointment of such agent.

IN WITNESS WHEREOF, I have signed this certification on this the 30 day of September, 1998.



Martin Baker, President



Gary Greene, Secretary

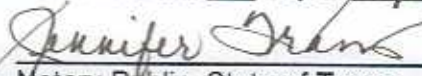
STATE OF TEXAS

COUNTY OF ~~HARRIS~~

Galveston

Before me, a notary public, on this day personally appeared Martin Baker and Gary Greene, known to me to be the persons whose names are subscribed to the foregoing document and, being by me first duly sworn, declared that the statements therein contained are true and correct.

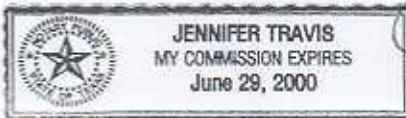
Given under my hand and seal of office this 30th day of September, 1998.



Notary Public, State of Texas

My commission expires:

_____, 2000



F:\SM0109\POA\POA130C.SSM October 9, 1998 (3:48pm)

**CERTIFICATE OF RESOLUTION
AND
INCUMBENCY CERTIFICATE**

**PIRATES BEACH AND COVE
PROPERTY OWNER'S ASSOCIATION
(Amendment and Restatement of Articles of Incorporation)**

The undersigned, Martin Baker, President of Pirates Beach and Cove Property Owner's Association ("the Corporation") hereby certifies that the attached resolutions (the "Resolutions") were duly adopted by the Members of the Corporation on the date set forth below:

Date of adoption of Resolution: June 13, 1998 at 10:30 a.m.

RESOLVED, that the proposed Amendment and Restatement of the Articles of Incorporation of Pirates Beach and Cove Property Owner's Association, a Texas non-profit corporation (the "Amended and Restated Articles"), are reasonably expected to benefit the corporation and is hereby approved on behalf of the corporation;

BE IT FURTHER RESOLVED, that Martin Baker, the President of Pirates Beach and Cove Property Owner's Association is hereby authorized to execute and deliver the Amended and Restated Articles and such other instruments and documents, if any, related thereto as such officer deems necessary or appropriate in order to consummate the above transaction for and on behalf of the corporation.

The Undersigned further certifies that the Resolutions were duly and properly adopted by two-thirds or more of the Members of the Corporation, voting in person or by proxy; that there are no provisions of the Charter or By-Laws of the Corporation which impair or modify the effectiveness of the Resolutions; that the Resolutions have been duly recorded in the Minute Book of the Corporation; and that the undersigned has been duly elected and holds the office set forth below in the Corporation.

The undersigned hereby certifies that the person whose name is set forth below hold the offices in the Corporation stated opposite the name of such officer, and that the signature shown opposite such name is genuine.

Martin Baker President _____

EXECUTED on the 3 day of November, 1998.

Martin Baker

SWORN TO AND SUBSCRIBED on the 3rd day of November, 1998.



Notary Public in and for
Harris County, Texas

Jennifer Travis



The State of Texas

SECRETARY OF STATE CERTIFICATE OF MERGER

The undersigned, as Secretary of State of Texas, hereby certifies that the attached Articles of Merger of

PIRATES PROPERTY OWNERS' ASSOCIATION

a Texas non-profit corporation

with

PIRATES BEACH AND COVE PROPERTY OWNERS' ASSOCIATION

a Texas non-profit 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 Merger.

Filed December 3, 1998

Effective December 3, 1998



Alberto R. Gonzales
Secretary of State

**ARTICLES OF MERGER
OF
PIRATES PROPERTY OWNER'S ASSOCIATION
INTO
PIRATES BEACH AND COVE PROPERTY OWNER'S ASSOCIATION**

FILED
In the Office of the
Secretary of State of Texas
DEC 03 1998
Registrations Section

Pursuant to the provisions of Article 5.04 of the Texas Non-Profit Corporation Act, the undersigned corporations adopt the following Articles of Merger for the purpose of merging them into one of such corporations:

1. The following Plan of Merger was approved by the members of each of the undersigned corporations in the manner prescribed by the Texas Non-Profit Corporation Act:

Pirate's Property Owner's Association, a Texas non-profit corporation, is hereby merged into Pirates' Beach and Cove Property Owner's Association, a Texas non-profit corporation, which succeeds to all assets and liabilities of the merged corporations.

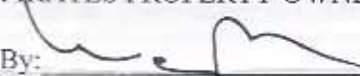
2. As to each of the undersigned corporations (each of which has members having voting rights), the Plan of Merger was adopted following manner:

- a. Relative to Pirates Property Owner's Association, the Plan of Merger was adopted at a meeting of the members held on June 13, 1998 at 10:00 a.m., at which a quorum was present, and the Plan of Merger received at least two-thirds of the votes which members present or represented by proxy at such meeting were entitled to cast.

- b. Relative to Pirates Beach and Cove Property Owner's Association, the Plan of Merger was adopted at a meeting of the members held on June 13, 1998, at 10:30 a.m., at which a quorum was present, and the Plan of Merger received at least two-thirds of the votes which members present or represented by proxy at such meeting were entitled to cast.


Dated October 30, 1998.

PIRATES PROPERTY OWNER'S ASSOCIATION

By: 

Martin Baker
President

PIRATES BEACH AND COVE PROPERTY OWNER'S ASSOCIATION

By: 

Martin Baker
President

Attachments: Certificate of Resolution of the Members of Pirates Property Owner's Association.
Certificate of Resolution of the Members of Pirates Beach and Cove Property Owner's Association.

CERTIFICATE OF RESOLUTION
AND

NOTARY CERTIFICATE
PIRATES PROPERTY OWNERS' ASSOCIATION

The undersigned, Martin Baker, President of Pirates Property Owners' Association ("the Corporation") hereby certifies that the attached resolutions (the "Resolutions") were duly adopted by the Members and approved by the sole Shareholder of the Corporation on the date set forth below:

Date of adoption of Resolution: June 13, 1998 at 10:00 a.m..

RESOLVED, that the Plan of Merger of Pirates Property Owners' Association, a Texas non-profit corporation ("the Corporation"), into Pirates Beach and Cove Property Owners' Association, a Texas non-profit corporation, ("Plan of Merger") is hereby approved.

BE IT FURTHER RESOLVED, that Martin Baker, President of the Corporation, is hereby authorized to execute and deliver the Plan of Merger and any instruments and documents as such officer deems appropriate, in order to consummate the transaction described above on behalf of the Corporation.


The Undersigned further certifies that the above Resolution was duly and properly adopted by the Members of the Corporation; that there are no provisions of the Charter or By-Laws of the Corporation which impair or modify the effectiveness of said Resolution; that said Resolution has been duly recorded in the Minute Book of the Corporation; and that the undersigned has been duly elected and holds the office set forth below in the Corporation.

The undersigned hereby certifies that the person whose name is set forth below hold the offices in the Corporation stated opposite the name of such officer, and that the signature shown opposite such name is genuine.

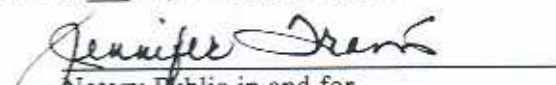
Martin Baker President



EXECUTED on the 3^o day of October, 1998.


Martin Baker

SWORN TO AND SUBSCRIBED on the 30th day of October, 1998.


Notary Public in and for
Harris County, Texas
Galveston

**CERTIFICATE OF RESOLUTION
AND
INCUMBENCY CERTIFICATE**

**PIRATES BEACH AND COVE
PROPERTY OWNER'S ASSOCIATION
(Plan of Merger)**

The undersigned, Martin Baker, President of Pirates Beach and Cove Property Owner's Association ("the Corporation") hereby certifies that the following resolutions (the "Resolutions") were duly adopted by the Members of the Corporation on the date set forth below:

Date of adoption of Resolutions: June 13, 1998 at 10:30 a.m.

RESOLVED, that the proposed Plan of Merger of Pirates Property Owner's Association, a Texas corporation into Pirates Beach and Cove Property Owner's Association, a Texas non-profit corporation (the "Corporation") (the "Plan of Merger"), are reasonably expected to benefit the Corporation and are hereby approved on behalf of Pirates Beach and Cove Property Owner's Association;

BE IT FURTHER RESOLVED, that Martin Baker, the President of Pirates Beach and Cove Property Owner's Association is hereby authorized to execute and deliver the Plan of Merger, and other instruments and documents, if any, related thereto as such officer deems necessary or appropriate in order to consummate the above transaction for and on behalf of the corporation.

The Undersigned further certifies that the Resolutions were duly and properly adopted by more than two-thirds of the Members of the Corporation, voting in person or by proxy; that there are no provisions of the Charter or By-Laws of the Corporation which impair or modify the effectiveness of the Resolutions; that the Resolutions have been duly recorded in the Minute Book of the Corporation; and that the undersigned has been duly elected and holds the office set forth below in the Corporation.

The undersigned hereby certifies that the person whose name is set forth below hold the offices in the Corporation stated opposite the name of such officer, and that the signature shown opposite such name is genuine.

Martin Baker President




EXECUTED on the 3 day of November, 1998.



Martin Baker

SWORN TO AND SUBSCRIBED on the 3rd day of November, 1998.




Notary Public in and for
Harris County, Texas
Galveston

P:\SM\09\PC\A\PC\AJ 40.SSM