

ARTICLES OF MERGER

In the Office of the
Secretary of State of Texas

APR 30 2003

Pursuant to the provisions of Article 1396-5.01 of the Texas Non Profit Corporation Act, the undersigned corporations certify the following articles of merger, adopted for the purpose of effecting a merger in accordance with the provisions of Article 1396-5.01 of the Texas Non Profit Corporation Act .

1. The name of each of the undersigned corporations that are a party to the plan of merger or that are to be created by the plan of merger, the type of such corporation or other entity and the laws under which such corporation or other entity are organized are:

<u>Name of Corporation or Other Entity</u>	<u>Type of Entity</u>	<u>State</u>
Key Allegro Swimming Club, Inc.	Nonprofit Corporation	Texas
Key Allegro Canal Owners Association,	Nonprofit Corporation	Texas

2. A plan of merger (the "plan") was approved and adopted at a meeting of the members of the Key Allegro Canal Owners Association held on February 22, 2003, at which a quorum was present, and providing for the combination of Key Allegro Swimming Club, Inc. and the Key Allegro Canal Owners Association, and resulting in the Key Allegro Canal Owners Association, being the surviving corporation.

3. The Key Allegro Swimming Club, Inc. has no members with voting rights, and the Plan was adopted at a meeting of the board of Directors of such corporation, held on February 5, 2003, by a vote of a majority of the Directors in office.

4. An executed copy of the Plan, a true copy of which is attached hereto as Exhibit A, and incorporated herein by reference, is on file at the principal place of business of the Key Allegro Swimming Club, Inc., and the Key Allegro Canal Owners Association the offices of each of which are located at 29 Mazatlan, Rockport, Texas 78382, and a copy of the plan of merger will be furnished by such entities, on written request and without cost, to any shareholder of each domestic corporation that is a party to the plan of merger and to any creditor or obligee of the parties to the merger at the time of the merger if such obligation is then outstanding.

4. One amendment to the articles of incorporation of any domestic surviving corporation is to be effected by the merger. Such amendment to change the name of the Key Allegro Canal Owners Association, to the Key Allegro Canal and Property Owners Association, Inc.

5. At the meeting of the members of the Key Allegro Canal Owners Association the Plan was adopted by at least two thirds of the votes which members present at such meeting in person or by proxy were entitled to cast. There are no members entitled to cast votes as a class.

6. Upon the effective date of the merger, the Key Allegro Canal Owners Association shall be responsible for the payment of all unpaid fees and Franchise taxes of the Key Allegro Swimming Club, Inc.

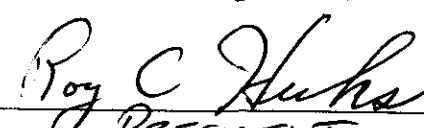
7. The merger will become effective on upon the issuance of the certificate of merger by the Secretary of State in accordance with Article 1396-5.01 of the Texas Non Profit Corporation Act

Dated April 2nd, 2003

Key Allegro Canal Owners Association

By 
Its PRESIDENT

Key Allegro Swimming Club, Inc.,

By 
Its PRESIDENT