

**ARTICLES OF INCORPORATION
OF
PADRE ISLES PROPERTY OWNERS ASSOCIATION, INC.**

We, C. G. Hofreiter, Gene Graham and M. Marvin Mesirow, natural persons of the age of twenty-one (21) years or more, all of whom are citizens of the State of Texas, acting as incorporators of a corporation under the Texas Non-Profit Corporation Act, db hereby adopt the following Articles of Incorporation for such corporation:

ARTICLE ONE

The name of the corporation is Padre Isles Property Owners Association, Inc.

ARTICLE TWO

The corporation is a non-profit corporation.

ARTICLE THREE

The period of its duration is perpetual.

ARTICLE FOUR

(Amended April 3, 1990)

The corporation is organized exclusively for the promotion of social welfare, including the following: providing facilities for the protection, security, pleasure, recreation and furthering the benefit or common good of all of the property owners and residents of the Padre Island Number 1, Padre Island Number 2 and the various units of Padre Island--Corpus Christi subdivision located in Nueces County, Texas; the preservation thereof as a marina type community of the highest quality; owning, constructing, operating, acquiring, developing, maintaining, repairing, replacing and protecting, as on a non-profit basis in furtherance of the aforesaid purpose of common areas, including but not limited to: greenways, recreation areas, canals, bulkheads, seawalls, seagates, lighting, parks, roads, streets, curbs, butters, drainage facilities, water access areas, boat ramps and any other facilities or property which shall be owned by it and located in the above described subdivisions; the administration and enforcement of any deed restrictions covering such property in accord with the terms thereof including the assessment and collection of maintenance fees and charges as provided thereunder. For the purposes hereof "Padre Island--Corpus Christi Subdivisions" shall be platted of record by Padre Island Investment Corporation using the name Padre Island--Corpus Christi. The corporation is not organized and shall not be operated for pecuniary gain or profit. The corporation is not authorized to provide exterior maintenance to private residences. No part of the property of the corporation and no part of its earnings shall inure to the benefit of any director or other private individual. The corporation shall never be authorized to engage in a regular business of a kind ordinarily carried on for profit or in any other activity except in furtherance of the purposes stated above for which the corporation is organized, nor shall the corporation engage in any activity which is not permissible for organizations exempt from taxation described in Section 501 (C) (4) of the Internal Revenue Code of 1954, as amended. The Association shall not support, in any manner, any proposal of any entity or person(s) that could or would cause an increase in members' taxes or assessments, (except those assessments for common area maintenance of Padre Isles as outlined in the covenants of the development), without first obtaining a majority of the votes cast by the members on the proposal. The Association shall not engage in any activity involving political campaigns/candidates or attempt to influence legislation that is in conflict with any internal revenue code or regulation.

ARTICLE FIVE

The street address of the initial registered office of the corporation is 200 Hawn Building, 819 North Carancahua Street, Corpus Christi, Texas, and the name of its initial registered agent at such address is Texas Agent Corporation.

ARTICLE SIX

Affairs of this corporation shall be managed by a board of directors. The number of directors shall be fixed by the bylaws of this corporation, and until adoption of the bylaws, the number of directors shall be three (3). The names and residences of those who are appointed as the initial directors are as follows:

<u>Name</u>	<u>Address</u>
C. G. Hofreiter	14317 Emerald Street Corpus Christi, Texas
Gene Graham	14322 Emerald Street Corpus Christi, Texas
M. Marvin Mesirow	14321 Emerald Street Corpus Christi, Texas

ARTICLE SEVEN

- The name and address of each incorporator is: *(the same as above directors)*

ARTICLE EIGHT

The corporation shall be a membership corporation, The qualifications for membership and rights of members shall be as set forth in the bylaws of the corporation.

Note: This document was signed on February 24, 1976 by all incorporators listed above and witnessed by Marilyn A. Harrison, Notary Public in and for Nueces County, Texas. On March 1, 1976, this document was filed in the Office of the Secretary of State of Texas.

ARTICLE NINE

(added as amendment March 8, 1980)

The corporation shall not expend or ratify the expenditure of more than twenty (20%) of the annual lot assessments (of the year in which such expenditures or authorization is to be made) for acquiring or developing real estate or for constructing, acquiring, or developing facilities. Expenditures for normal maintenance, operation and repair of facilities shall not be subject to such limitation.

Note: On March 8, 1980, Articles ten, eleven and twelve were added by amendment, but were subsequently deleted by an amendment adopted by the membership on March 10, 1990.