

The State of Texas
Secretary of State

CERTIFICATE OF MERGER

OF NON-PROFIT CORPORATIONS INTO

FOSSIL SPRINGS PHASE III HOMEOWNERS' ASSOCIATION

THE UNDERSIGNED, AS SECRETARY OF STATE OF THE STATE OF TEXAS, HEREBY
CERTIFIES THAT THE ATTACHED ARTICLES OF MERGER OF

FOSSIL SPRINGS PHASE IV HOMEOWNERS' ASSOCIATION
A TEXAS NON-PROFIT CORPORATION

INTO

FOSSIL SPRINGS PHASE III HOMEOWNERS' ASSOCIATION
A TEXAS NON-PROFIT CORPORATION

DULY SIGNED AND VERIFIED 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 MERGER.

DATED NOV. 10, 2000

EFFECTIVE NOV. 10, 2000

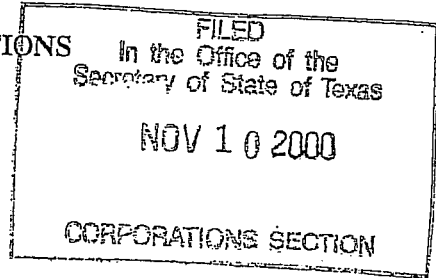


A handwritten signature in cursive script, reading "Elton Bomer".

Elton Bomer, Secretary of State

EXHIBIT A-1

ARTICLES OF MERGER
OF
DOMESTIC NON-PROFIT CORPORATIONS



The undersigned corporations adopt these Articles of Merger.

ARTICLE 1.
PLAN OF MERGER

The following Plan of Merger was adopted by each of the undersigned corporations.

1.01 The names of the non-profit corporations proposing to merge and the state under whose laws they are organized are:

<u>Name of Corporation</u>	<u>Charter Number</u>	<u>State of Incorporation</u>
Fossil Springs Phase III Homeowners' Association (the "Surviving Corporation")	01358437-01	Texas
Fossil Springs Phase IV Homeowners' Association (the "Acquired Corporation")	01442263-01	Texas

1.02 The name of the surviving corporation surviving the merger is "Fossil Springs Phase III Homeowners' Association".

1.03 The terms of the proposed merger are as follows:

On the Effective Date of the merger, the existence of Acquired Corporation as a distinct entity will cease. At that time, Surviving Corporation will succeed to all the rights, title, and interests to all property owned by Acquired Corporation, without reversion or impairment, without any further act, and without any transfer or assignment having occurred, but subject to any existing liens or other encumbrances on the property. Surviving Corporation also will be subject to all the debts and obligations of Acquired Corporation as the primary obligor, except as otherwise provided by law or contract, and only Surviving Corporation will be liable for the debt or obligation. Surviving Corporation will carry on business with the assets of the parties to the merger as these corporations existed immediately prior to the merger. The members of Acquired Corporation will cease being members of the Acquired Corporation on the Effective Date of the merger and on the Effective Date of the merger the members of the Acquired Corporation shall become members of the Surviving Corporation and shall have all of the identical rights, benefits and obligations of the members of the Surviving Corporation as they existed immediately before the Effective Date of the merger. The members of Surviving Corporation will remain members of Surviving Corporation with the same rights, benefits and obligations as they existed immediately before the Effective Date of the merger. The Surviving Corporation shall be fully authorized to administer and enforce the Declaration of Covenants, Conditions and Restrictions for Fossil Springs Phase IV recorded in Volume 12761, Page 169 of the Real Property Records of Tarrant County, Texas (the "Phase IV CC&R's"), including, but not limited to administering, enforcing and collecting any assessments provided for in the Phase IV CC&R's. The effective date of the merger (the "Effective Date"), will be the date when a certificate of merger is issued by the Secretary of State of Texas.

1.04 The Surviving Corporation's Articles of Incorporation remain unchanged.

**ARTICLE 2.
PROCEDURE OF ADOPTION**

2.01 The Plan of Merger was adopted at a members' meeting of Fossil Springs Homeowners' Association III held on August 30th, 2000, a which a quorum was present. The Plan received at least two-thirds (2/3) of the votes of those members who were present or represented by proxy at the meeting and were entitled to vote.

2.02 The Plan of Merger was adopted at a members' meeting of Fossil Springs Homeowners' Association IV held on August 30th, 2000, a which a quorum was present. The Plan received at least two-thirds (2/3) of the votes of those members who were present or represented by proxy at the meeting and were entitled to vote.

I am an officer of Fossil Springs Phase III Homeowners' Association, a non-profit corporation involved in this merger. I execute these Articles of Merger on behalf of this non-profit corporation on August 30, 2000.

**FOSSIL SPRINGS PHASE III
HOMEOWNERS' ASSOCIATION**

BY: *Tom Tanner*

TOM TANNER, PRESIDENT

I am an officer of Fossil Springs Phase IV Homeowners' Association, a non-profit corporation involved in this merger. I execute these Articles of Merger on behalf of this non-profit corporation on August 30, 2000.

**FOSSIL SPRINGS PHASE IV
HOMEOWNERS' ASSOCIATION**

BY: *Tom Tanner*

TOM TANNER, PRESIDENT

PLAN OF MERGER

THIS PLAN OF MERGER ("Plan") is entered into on August 30, 2000 by FOSSIL SPRINGS PHASE IV HOMEOWNERS' ASSOCIATION, a Texas non-profit corporation ("Acquired Corporation"), and FOSSIL SPRINGS PHASE III HOMEOWNERS' ASSOCIATION, a Texas non-profit corporation ("Surviving Corporation").

ARTICLE 1. PLAN OF MERGER

1.01 Adoption of Plan. A plan of merger of Acquired Corporation and Surviving Corporation under the provisions of Article 5.01 *et seq.* of the Texas Non-Profit Corporation Act is adopted as follows:

(a) On the Effective Date of the merger as set forth in Article 1.02 of this Plan of Merger, Acquired Corporation will be merged into Surviving Corporation, to do business and be governed by the laws of Texas.

(b) Surviving Corporation's name will be "Fossil Springs Phase III Homeowners' Association, Inc."

(c) When this Plan becomes effective, the existence of Acquired Corporation as a distinct entity will cease. At that time, Surviving Corporation will succeed to all the rights, title, and interests to all property owned by Acquired Corporation, without reversion or impairment, without any further act, and without any transfer or assignment having occurred, but subject to any existing liens or other encumbrances on the property. Surviving Corporation also will be subject to all the debts and obligations of Acquired Corporation as the primary obligor, except as otherwise provided by law or contract, and only Surviving Corporation will be liable for the debt or obligation.

(d) Surviving Corporation will carry on business with the assets of the parties to the merger as these corporations existed immediately prior to the merger.

(e) The members of Acquired Corporation will cease being members of the Acquired Corporation on the Effective Date of the merger and on the Effective Date of the merger the members of the Acquired Corporation shall become members of the Surviving Corporation and shall have all of the identical rights, benefits and obligations of the members of the Surviving Corporation as they existed immediately before the Effective Date of the merger.

(f) The members of Surviving Corporation will remain members of Surviving Corporation with the same rights, benefits and obligations as they existed immediately before the Effective Date of the merger.

(g) The Surviving Corporation shall be fully authorized to administer and enforce the Declaration of Covenants, Conditions and Restrictions for Fossil Springs Phase IV recorded in Volume 12761, Page 169 of the Real Property Records of Tarrant County, Texas (the "Phase IV CC&R's"), including, but not limited to administering, enforcing and collecting any assessments provided for in the Phase IV CC&R's.

1.02 Effective Date. The effective date of the merger (the "Effective Date") will be the date when a certificate of merger is issued by the Secretary of State of Texas.

ARTICLE 2.
TERMS, CONDITIONS, AND PROCEDURES PRIOR TO EFFECTIVE DATE

2.01 Submission to Members and Filing. This Plan will be submitted for approval separately to the members of the merging parties in the manner provided by the laws of Texas.

ARTICLE 3.
DIRECTORS AND OFFICERS

3.01 Directors of Surviving Corporation. The present board of directors of Surviving Corporation will continue to serve as its board of directors until the next annual meeting or until their successors have been elected and qualified.

3.02 Officers of Surviving Corporation. All persons who on the Effective Date are executive or administrative officers of Surviving Corporation will remain as officers of Surviving Corporation until its board of directors determines otherwise. Surviving Corporation's board of directors may elect or appoint additional officers as its deems necessary.

ARTICLE 4.
ARTICLES OF INCORPORATION AND BYLAWS

4.01 Articles of Incorporation of Surviving Corporation. Surviving Corporation's Articles of Incorporation, as existing on the Effective Date, will remain unchanged and will continue in full force until amended as provided in the Articles or Bylaws.

4.02 Bylaws of Surviving Corporation. Surviving Corporation's Bylaws, as existing on the Effective Date, will remain unchanged and will continue in full force until altered, amended, or repealed as provided in the Bylaws or as provided by law.

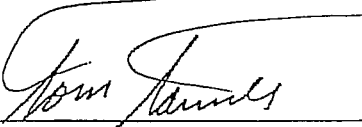
ARTICLE 5.
MISCELLANEOUS

5.01 Further Assurances and Assignments. Acquired Corporation agrees that when requested by Surviving Corporation or by its successors or assigns, Acquired Corporation will execute and deliver or cause to be executed and delivered all deeds and other instruments necessary to consummate the transaction that is the subject of this Plan. Acquired Corporation also agrees to take or cause to be taken any further actions, assignments, or assurances that are necessary to vest, perfect, and confirm title of Surviving Corporation to all the property, rights, privileges, powers, and franchises referred to in Article 1 of this Plan, and otherwise necessary to carry out the intent and purposes of this Plan.

5.02 Entire Agreement and Counterparts. This instrument and any exhibits attached to and incorporated into the instrument contain the entire agreement between the parties with respect to the transaction contemplated by this Plan. It may be executed in any number of counterparts; however, all counterparts taken together will constitute one original.

ACQUIRED CORPORATION:

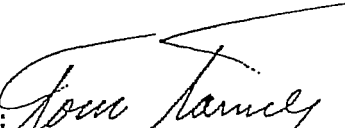
FOSSIL SPRINGS PHASE IV
HOMEOWNERS' ASSOCIATION

BY:  _____

TOM TANNER, PRESIDENT

SURVIVING CORPORATION:

FOSSIL SPRINGS PHASE III
HOMEOWNERS' ASSOCIATION

BY:  _____

TOM TANNER, PRESIDENT

kaufman\fossil.sp\planmerg