

CORRECTION
RESTRICTIONS, COVENANTS
AND CONDITIONS

Laffite's Cove at Pirates Beach

THE STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

WHEREAS, THE WOODLANDS CORPORATION, formerly doing business under the name MITCHELL/SOUTHWEST, ("Developer"), a Delaware Corporation, is the owner of the following described property situated in Galveston County, Texas, to-wit:

All numbered lots in Pirates Cove, Section Six, a subdivision in Galveston County, Texas, according to the Plat thereof recorded in Book 18, Pages 277-281, of the Map Records of Galveston County, Texas, as amended by Pirates Cove Section Six First Amending Plat recorded in Book 18, Pages 326-333, and Partial Replat of Pirates Cove Section Six First Amending Plat recorded in Book 18, Pages 366 - 367 of the Map Records in the Office of the County Clerk of Galveston County, Texas, commonly known as Laffite's Cove at Pirates Beach

all of the hereinabove described property, being hereinafter sometimes referred to as "Said Lots", "the Property", or "the Subdivision"; and,

WHEREAS, it is the desire of the Developer to establish a uniform plan for the development, improvement and sale of the Property, and to insure the preservation of such uniform plan for the benefit of Developer as well as future owners of the Property:

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, THAT The Woodlands Corporation, a Delaware corporation, with offices and principle place of business in The Woodlands, Montgomery County, Texas, acting herein by and through its duly authorized officers, does hereby adopt, establish and impose the following reservations, restrictions, covenants and conditions upon the Property, which shall constitute covenants running with the title to the land and shall inure to the benefit of Developer, its successors and assigns and to each and every purchaser of one or more lots in the Subdivision, their successors and assigns, and any one of said beneficiaries shall have the right to enforce these restrictions by any available legal process.

RESTRICTIONS, COVENANTS AND CONDITIONS

1. Land Use and Building Type. The Property shall be used for residential purposes only, and only one (1) detached, single-family dwelling shall be erected on any one lot. No commercial activity shall be conducted on or from any of Said Lots, except that a lot owner may from time to time rent his or her home to another for residential purposes. Notwithstanding anything contained herein to the Contrary, until Developer, its successors or assigns has sold all the Property, any unsold lots may be used by Developer for the location and operation of a sales office.

2. Resubdivision. No lot may be resubdivided except between or among the owners of abutting lots and thereafter each owner's resulting oversize tract shall be considered as one lot. Nothing herein contained shall prohibit the construction of a single residence on portions of two (2) lots, in which case both such lots shall be considered as one lot for building purposes. Irrespective of the foregoing provisions of this paragraph, the annual maintenance charge hereinafter set forth shall be and remain applicable

to all lots as originally shown on the recorded plat of the subdivision, recorded in the Office of the County Clerk of Galveston County, Texas ("Plat").

3. Architectural Control and Construction Time. No structure or improvement ("Improvement"), including, but not limited to, buildings, fences, walls, piers, docks, trash enclosures, driveways, curb cuts, culverts, decks, porches, patios, aerial antenna, satellite dish, swimming pools, playground equipment, and outdoor cooking or eating facility of a permanent nature, and any change in the grade of any lot of more than 6 inches shall be commenced, erected, or maintained upon any lot in the Subdivision, nor shall any exterior addition or change or alteration of the exterior be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing by the Architectural Control Committee ("the Committee") composed of three (3) or more representatives from time to time appointed by Developer. The persons serving from time to time on the Committee may be removed, with or without cause, by Developer at such times and for such reasons as Developer may determine in the exercise of its sole discretion. In the event of the removal or resignation of one or more members of the Committee, the Developer shall promptly designate other persons to replace those who are removed.

Approval by the Committee shall be granted or withheld based upon conformity of the Improvement to both the general and specific intent of this instrument, adequacy of site dimensions, structural design, quality of materials, conformity and harmony of external design and location with neighboring structures and sites and relation of finished grades and elevations to neighboring sites, and such other relevant considerations as the Committee may, in the exercise of its sole discretion, determine to be of significance in such determination ("Committee Considerations"). Special dock design considerations will be required for the following lots: Block 1, Lots 40-42; Block 2, Lots 8, 9, 38-42, 58, 59, 66, 67 and 68; Block 6, Lots 5-10; and Block 10, Lot 35.

Each application made for architectural control approval shall be accompanied by the fee established by the Committee to defray expenses of the Committee and by complete plans and specifications of all proposed Improvements. The plans and specifications to be so submitted and approved shall include the following:

- a) A topographical plat showing existing contour grades and showing the location of all proposed Improvements. Existing and finished grades shall be shown at lot corners. Lot drainage provisions shall be indicated as well as cut and fill details if any appreciable change in the lot contours of more than six (6) inches is contemplated.
- b) Exterior elevations.
- c) Exterior materials and colors.
- d) Structural design.
- e) Landscaping plan, including walkways, fences and walls (if permitted), elevation changes, watering systems, lighting, vegetation and ground cover.
- f) Parking area and driveway plan.
- g) Screening, including size, location and method.
- h) Utility connections

- i) Exterior illumination, if any, including location and method.
- j) Design and materials for construction of interconnect (including any culvert (size and type) or related facility) between driveways and any walkway, and the street or roadway.

If the plans and specifications are approved by the Committee, an approved application shall be issued authorizing construction of the proposed Improvements in accordance with the plans and specifications so approved. In the event the Committee fails to approve or disapprove the plans within forty-five (45) days after same have been submitted to it, approval will be presumed and this paragraph will be deemed to have been fully complied with.

Following approval of the plans and specifications and prior to commencement of construction, owner shall obtain a licensed land surveyor or professional engineer to survey the lot and mark the lot corners and the location of the proposed structure on the ground to insure it conforms to the site plan as approved. The Committee must approve the survey in writing prior to commencement of construction.

After the commencement of construction, the lot owner shall have a maximum of six (6) months to complete or cause to be completed the exterior construction unless the Committee approves a written request from the owner for an extension of such time limit. Exterior construction shall be deemed complete when the structure or structures have been completed in accordance with the approved plans, and when all construction materials and debris have been cleaned up and removed from the site.

Approval by the Committee shall not relieve the owner from the responsibility of complying with applicable public ordinances or regulations, and the approval is not, nor is it intended to be, an indication of compliance with any such ordinances or regulations.

Neither the Developer, the Committee nor any of the members of such Committee shall be liable in damages or otherwise to anyone submitting plans and specifications for approval or to any owner of land affected by these restrictions, covenants and conditions, by reason of mistake of judgment, negligence, or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or to disapprove any plans and specifications.

The Committee shall have the right to promulgate and adopt rules and regulations necessary to implement these restrictions, covenants, and conditions, including but not limited to, an outline of minimum, acceptable construction standards and specifications. These rules and regulations may include submission requirements concerning the type of information, reports, plans and specifications and the like which need to be submitted with any application, payment of reasonable fees for processing or reviewing the application, it may also include guidelines governing the development of each lot, and building inspection procedures.

A member or agent of the Committee may enter on and inspect any lot and any Improvement thereon during regular business hours and following reasonable notice for the purpose of ascertaining whether such lot and the Improvements thereon are in compliance with these restrictions, covenants, and conditions. Neither the Developer, the Committee, nor the agent of any of them shall be deemed to have committed a trespass by reason of such entry for inspection, provided such inspection is carried out in accordance with the terms of this paragraph.

It shall be the responsibility of the lot owner during construction to remove in a timely manner all trash, lumber, and debris of any other description associated with such construction

so as to preserve a neat and orderly appearance to his or her lot, and, upon completion of construction, to completely remove all remaining construction debris from his or her lot. If, in the opinion of the Committee, a lot owner fails to remove such construction debris in a timely manner, the Committee shall have the option to cause such debris to be removed from the lot, and the cost of such work shall be charged to the lot owner and shall be payable to the Committee upon demand. Any amounts owing to the Committee hereunder shall be secured by the lien hereinafter mentioned in paragraph 24.

No exterior aerial antenna, satellite dish, flag pole, or other structure of any kind (except a chimney) shall project above the uppermost roof line of any structure on any lot in the Property.

The Committee shall have the power and the authority, to be exercised in its sole discretion, to authorize variances and exemptions from the terms and provisions of any of the restrictions, covenants, and requirements set forth in this paragraph as to any one or more lots. The rights, powers and duties reserved to Developer by this instrument and by this paragraph 3, shall remain in force and effect so long as the restrictions, covenants, and conditions, set forth herein shall be and remain in force and effect. The terms and provisions of this paragraph 3. may be enforced in the same manner as the other terms and provisions hereof are enforced pursuant to paragraph 31 hereof.

4. Dwelling Size. Only one (1) detached single-family dwelling may be erected on any lot in the Property and each such dwelling shall contain not less than 1600 square feet of living area; not less than 300 square feet of deck area; and not less than 100 square feet of garage or enclosed storage area.

5. Type of Construction, Materials and Landscape.

(a) Every structure, building or addition thereto shall be affixed to the ground in a permanent manner.

(b) All elevated structures shall be built on pilings or other type of elevated foundation designed so that the foundation will aesthetically conform to standards set by the Committee.

(c) No round pilings shall be permitted, unless the pilings are concrete.

(d) No angle bracing from pilings to floor stringers will be permitted. Elevated structures may be cross braced against the floor joists to prevent racking of structures, and floor joist stringers must be of adequate size to carry floor joists without angle bracing from the pilings to the stringers.

(e) All houses and other structures must be kept in good repair, and painted or stained when necessary to preserve the attractiveness thereof.

(f) No house, building or structure shall be more than two (2) stories of living area in height. Open decking will be permitted above the second level provided it is no more than forty (40) feet above mean sea level and accessed by less than one hundred fifty (150) square feet of enclosed space. The open decking should also be less than forty percent (40%) of the square feet of the floor below. Notwithstanding anything contained herein, to the contrary, a house, building, or structure may be disapproved by the Committee because of excessive height, due to Committee Considerations described in paragraph 3. above.

(g) The minimum first floor elevation of a house must be at least in accordance with the requirements for insurance against storms and as required by the City of Galveston and County of Galveston, and any other governmental entity having jurisdiction.

(h) Toilet facilities of all houses shall be installed inside each house, and shall be connected before use with a sewage disposal system approved by the City of Galveston and the Galveston County Health Department. No other sewage disposal system will be permitted in the Subdivision other than a central sewage system serving the Subdivision. No septic tank or privy shall be installed, erected or maintained on the premises. Nothing herein contained to the contrary or seemingly to the contrary shall prevent the installation and use of sanitary sewer facilities by a water district or other governmental authority in the Subdivision. Each lot owner will, at his or her expense, extend his residence connection line to an outside perimeter of the lot as designated by Developer or a utility district, as the case may be.

(i) All pilings must be sunk to a depth of a least ten (10') feet.

(j) Walls attached to structural or vertical pilings below the living area of the house must be of a break away nature and may not be permanently or structurally affixed to the pilings.

(k) Upon completion of a house each lot owner shall plant, and continually maintain on his or her lot at least four (4) healthy trees, two (2) of which ("Specific Trees") must be of the type, size, and at the locations set forth below. The Specified Trees must be planted at the two (2) corners of each lot adjacent to the street right-of-way, located one (1) foot inside the front lot line and eight (8) feet inside each side lot line. The particular type and size of the Specific Trees depends upon what street right-of-way the lot faces on to, and shall be as follows:

<u>Street Name</u>	<u>Type of Tree</u>	<u>Size</u>
Foremast Dr.	Sabal Palm (Sabal Florida)	10-20 foot, clear trunk, bear root
Cutwater Place	Live Oak (Quercus Virginiana)	2½ to 3 inch diameter 30 gallon
Eckert Drive	Sabal Palm (Sabal Florida)	10-20 foot, clear trunk, bear root
Jibstay Court	Live Oak (Quercus Virginiana)	2½ to 3 inch diameter 30 gallon
Moyenne Place	Live Oak (Quercus Virginiana)	2½ to 3 inch diameter 30 gallon
Lanyard Place	Live Oak (Quercus Virginiana)	2½ to 3 inch diameter 30 gallon
Windlass Circle	Sable Palm (Sabal Florida)	10-20 foot, clear trunk, bear root
Windlass Court	Live Oak (Quercus Virginiana)	2½ to 3 inch diameter 30 gallon
Binnacle Way	Sable Palm (Sabal Florida)	10-20 foot, clear trunk, bear root
Binnacle Court	Live Oak (Quercus Virginiana)	2½ to 3 inch diameter 30 gallon

Cove Lane

Live Oak
(Quercus Virginiana)2½ to 3 inch diameter
30 gallon

The other two (2) required trees must be a type of palm tree with a minimum height of ten (10) feet at the time of planting and may be located on the lot as determined by the lot owner. Any tree which is damaged or dies must be replaced in a timely manner with a new tree meeting the requirements of this paragraph 5.(k). Each lot owner also must install a concrete driveway extending to the street pavement.

(1) All construction must be in compliance with all laws, ordinances, rules and regulations of all government and municipal agencies having jurisdiction over construction of improvements on lots.

6. Location of Improvements. No portion of a building, including porch or roof overhang, stairs, and air conditioning units, shall be located closer to the front, side and rear lot lines than the building lines as shown on the Plat and if no rear or side building lines are indicated on the Plat, then no closer than twenty (20) feet to the bulkhead on the inland side; provided that cantilevered or overhanging improvements may be constructed to within fifteen (15) feet of said bulkhead so long as there are no peers, supports, or other ground level improvements within twenty (20) feet of the bulkhead, and six (6) feet to any side lot line. Above ground propane tanks, air conditioning units, and all other unsightly structures, facilities, or equipment must be screened from public view by planting or decorative fencing. Corner lots shall be deemed to front on the street along which such lot has the least amount of frontage, except houses on the bay or those houses which have been excepted by the Committee by reason of outstanding or unusual design. No fence shall be erected in the front building setback line and no rear yard fencing shall be higher than four (4) feet.

7. Electrical Distribution System. An electric distribution system will be installed in that part of the Subdivision, designated herein as -Underground Residential Subdivision, which -underground service area embraces all of the lots which are platted in the Subdivision. This electrical distribution system shall consist of overhead primary feeder circuits constructed on wood poles, single or three phase, as well as underground primary and secondary circuits, pad mounted or other types of transformers, junction boxes, and such other appurtenances as shall be necessary to make underground service available. In the event that there are constructed within the -Underground Residential Subdivision structures containing multiple dwelling units such as townhouses, duplexes or apartments, then the underground service area embraces all of the dwelling units involved. The owner of each lot containing a single dwelling unit or, in the case of a multiple dwelling unit structure, the owner/developer, shall, at his or her own cost, furnish, install, own and maintain (all in accordance with the requirements of local governing authorities and the National Electrical Code) the underground service cable and appurtenances from the point of electric company's metering at the structure to the point of attachment at such company's installed transformers or energized secondary junction boxes, such point of attachment to be made available by the electric company at a point designated by such company at the property line of each lot. The electric company furnishing service shall make the necessary connections at said point of attachment and at the meter. Developer has either by designation on the Plat of the Subdivision or by separate instrument granted necessary easements to the electric company providing for the installation, maintenance and operation of its electric distribution system and has also granted to the various homeowners reciprocal easements providing for access to the area occupied by and centered on the service wires of the various homeowners to permit installation, repair and maintenance of each homeowner's owned, and installed service wires. In addition, the owner of each lot containing a single dwelling unit, or in the case of a multiple dwelling unit structure the owner/developer, shall at his or its own cost, furnish, install,

own and maintain a meter loop (in accordance with the then current standards and specifications of the electric company furnishing service) for the location and installation of the meter of such electric company for each dwelling unit involved. For so long as underground service is maintained in the Underground Residential Subdivision, the electric service to each dwelling unit therein shall be underground, uniform in character and exclusively of the type known as single phase, 120/240 volt, three wire, 60 cycle, alternating current.

The electric company has installed or will install the underground electric distribution system in the Underground Residential Subdivision at no cost to Developer (except for certain conduits, where applicable, and except as hereinafter provided) upon Developer's representation that the Underground Residential Subdivision is being developed for residential dwelling units, including homes, and if permitted by the restrictions applicable to such subdivision, townhouses, duplexes and apartment structures, all of which are designed to be permanently located where originally constructed (such category of dwelling units expressly to exclude mobile homes) which are built for sale or rent and all of which multiple dwelling unit structures are wired so as to provide for separate metering to each dwelling unit. Should the plans of the Developer or the lot owners in the Underground Residential Subdivision be changed so as to permit the erection therein of one or more mobile homes, the electric company shall not be obligated to provide electric service to any such mobile home unless (a) Developer has paid to the electric company an amount representing the excess in cost, for the entire Underground Residential Subdivision, of the underground distribution system over the cost of equivalent overhead facilities to serve such Subdivision or (b) the owner of each affected lot, or the applicant for service to any mobile home, shall pay to the electric company the sum of (1) \$1.75 per front lot foot, it having been agreed that such amount reasonably represents the excess in cost of the underground distribution system to serve such lot or dwelling unit over the cost of equivalent overhead facilities to serve such lot or dwelling unit, plus (2) the cost of rearranging, and adding any electric facilities serving such lot, which arrangement and/or addition is determined by the electric company to be necessary.

8. Easements. Easements for the installation and maintenance of utilities, drainage facilities, roads and streets are granted and reserved as shown on the Plat. No utility company, water district or other authorized entity or political subdivision using the easements herein referred to shall be liable for any damage done by themselves, their successors, assigns, agents, employees, or servants, to shrubbery, trees or flowers or other property of the owner situated on the land covered by said easements. Developer reserves the right to grant (without the consent of any lot owner) such additional easements as may, in the opinion of Developer, be necessary to properly serve the Subdivision's requirements.

9. Annoyances or Nuisances. No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may become an annoyance or nuisance to the neighborhood or to a person of reasonable sensibilities.

10. Animals. Except as hereinafter provided, no animals, livestock, or poultry of any kind shall be kept, raised or bred on any lot in the Subdivision. Not more than two (2) dogs and/or cats may be kept on a lot, provided they are kept only for the use and pleasure of the owner and are not kept, bred or maintained for commercial purposes.

11. Drainage Structures. Drainage structures under private driveways shall be either of two types: (1) where the drainage ditch is of sufficient size to accommodate the culvert as described herein without causing the driveway to be elevated above the street level, drainage structures shall be buried underneath the private driveway, and shall have a net drainage opening area of sufficient size to permit the free flow of water without backwater, and shall

be a minimum of 1 3/4 square feet (18-inch diameter pipe culvert); (2) where the drainage ditch is of insufficient size to accommodate the culvert above described, the drainage structure may be a dip in the private driveway that will allow the free flow of water over the driveway.

12. Condition of the Lot Surface. The cutting of grass and weeds, and the collection of garbage, trash and rubbish shall be the responsibility of each lot owner, and may be handled by a third party or parties on an individual contract basis. The owner or occupant of each lot shall at all times maintain his or her lot in a sanitary, healthful and attractive manner. No owner or occupant of any lot shall in any event use his or her lot or any part thereof for the storage of materials or equipment except such materials and equipment as may be needed for normal, immediate residential building requirements, nor shall they permit the accumulation of garbage, trash, rubbish, or refuse of any kind thereon. In the event of default on the part of the owner or occupant of any lot in observing any of the above requirements, or in the event any garbage, trash, rubbish or refuse is allowed to remain on the individual owner's premises for a longer period of time than one (1) week, with the exception that a maximum of thirty (30) days is granted to clear debris and repair damage due to hurricanes or other acts of God, Developer, (and the successors and assigns of Developer in a like capacity), without liability to such owner or occupant in trespass or otherwise, may enter upon such lot and cut or cause to be cut such weeds and grass and remove or cause to be removed such garbage, trash, rubbish or debris so as to place such lot in a neat, attractive, healthful and sanitary condition, in which case Developer shall bill the owner or occupant for such work. The owner or occupant, as the case may be, agrees by purchase or occupancy of any lot in the Subdivision, to pay such statement within fifteen (15) days of receipt thereof.

13. Temporary Structures. No structure of a temporary character, including, but not limited to, trailers, tents, shacks, mobile homes, boats or motor vehicles of any type, shall ever be maintained or used on any lot at any time as a residence, either temporarily or permanently. Parking of automotive vehicles on road shoulders adjacent to lots is prohibited.

14. Excavation or Filling. The excavation or the removal of any soil from any lot is prohibited except where necessary in conjunction with landscaping or construction being done on such lot. No filling material which will have the effect of changing the grade level of any lot shall be placed on such lot without the prior approval in writing of the Committee, the City of Galveston, and any other governmental agencies having jurisdiction thereof, if any.

15. Signs and Billboards. No signs, advertisements, billboards or advertising structures of any kind may be erected or maintained on any lot without the prior consent in writing of the Committee. Developer or the Committee shall have the right to remove any such signs, advertisements, billboards or structures placed on any lot within the Subdivision without such consent, and in so doing shall not be liable for trespass or any damages in connection therewith or arising from such removal. Notwithstanding anything contained herein to the contrary, Developer reserves the right to construct and maintain such signs and advertising devices on the Property as is customary in connection with the general sale of property in the Subdivision.

16. Hunting. No hunting nor the discharge of firearms shall be permitted in, on, or from, any part of the Subdivision.

17. Treasures or Artifacts. Developer reserves a one-half (1/2) interest in all treasures and artifacts found on any lot within the Subdivision.

18. Docking and Mooring Facilities. No piers, docks or mooring facilities shall be installed, erected or maintained unless and until the plans and specifications for the same have been

approved in writing by the Committee. Furthermore, all boats operated, anchored or docked in any manner in any of said canals must be approved by the Committee as to appearance, size and the extent of motor noise in order that no unsightly, oversized or unusually loud boats will be allowed in any of said canals. No pier, dock or mooring facility may be installed, erected, or maintained on or adjacent to Lot 33, Block 10.

19. Covenants for Maintenance Charges. Each purchaser of any lot within the Property by acceptance of a deed or other instrument of conveyance therefor, whether or not it shall be so expressed in any such deed or other instrument of conveyance shall be deemed to covenant, and agree as a covenant running with the land, to pay to the Developer, its successors or assigns: a) the Regular Maintenance Charge (as specified in Paragraph 20 hereof and b) the Special Laffite's Cove Maintenance Charge (as specified in paragraph 22 hereof), both such maintenance charges to be fixed, established and collected as hereinafter provided. Each of the maintenance charges herein provided for shall be a charge and a continuing lien upon each lot, together with all improvements thereon, as hereinafter more particularly stated. Each maintenance charge, together with interest, costs and reasonable attorney's fees shall also be the personal obligation of the person who was the owner of the lot at the time payment of the maintenance charge fell due, but no lot owner shall be personally liable for the payment of any maintenance charge made or becoming due and payable after his or her ownership ceases.

20. Regular Maintenance Charge. The owner of each lot within the Property, except as hereinafter provided, shall pay a minimum annual maintenance charge ("Regular Maintenance Charge") of \$60.00 per year for the purpose of creating a fund to be known as the "Maintenance Fund". Said Regular Maintenance Charge may be increased from time to time by the Committee in an annual amount not to exceed 10% of the Regular Maintenance Charge for the previous year, up to a maximum charge of \$72.00 a lot per year, if in the sole discretion of the Committee, such action is required to satisfy funding requirements for those expenses enumerated in paragraph 21 below. After said maximum charge of \$72.00 per lot has been reached, thereafter the Committee shall have the right, in its sole discretion, to increase the Regular Maintenance Charge by a percentage increase equal to the percentage increase in the Consumer Price Index - All Items, 1967 equals 100 (as defined by the U.S. Department of Labor, Bureau of Labor Statistics) for the year preceding the year for which the assessment is being made. Should the U.S. Department of Labor, Bureau of Statistics cease to publish the Consumer Price Index - All Items, 1967 equals 100, the Committee shall select such other indices which in its judgment reflect the then broad range of economic factors represented in the said Consumer Price Index - All Items, 1967 equals 100. Said Regular Maintenance Charge shall be due and payable annually in advance on or before the first day of July of each year to the Committee at its offices in The Woodlands, Texas. The Regular Maintenance Charge on any lot purchased after July 1st of any year (covering the period of time from the purchase thereof to June 30 of the ensuing year) shall be prorated in the proportion that the number of months remaining prior to July 1st of said ensuing year bears to a whole year. The Regular Maintenance Charges referred to herein, together with the lien securing payment of the same, is hereby transferred, assigned and conveyed to the Committee. It is expressly agreed that all unsold lots owned by Developer and its successors and assigns, shall be excluded from payment of the Regular Maintenance Charge. The sole and only obligation of Developer in connection with the purposes for which said Maintenance Fund has been created is to keep the grass and weeds mowed on all unsold lots. Notwithstanding the foregoing, Developer may, at its sole option, assume and agree to pay other expenditures for the benefit of owners or occupants of lots in the Subdivision.

Notwithstanding anything contained herein to the contrary, in the event either the public and/or private roads and/or streets in sections of Pirates Beach and Pirates Cove Subdivision (including, but not limited to, access roads) are damaged by hurricane, flood,

storm or other act of nature, and the City or County of Galveston does not satisfactorily repair such roads, the Regular Maintenance Charge may be increased annually during the next ensuing collection period or periods by an amount not to exceed one-half (1/2) of the then current Regular Maintenance Charge in order to raise sufficient funds to pay the cost of restoring such roads or streets to their former condition and the funds collected by reason of such increase may be used to repair such damage and/or to reimburse Developer, its successors or assigns, for any expense, including interest, if any, which it may have incurred in connection with the repair of such damage. After the total cost of such repairs, including interest, if any, has been paid, the Regular Maintenance Charge shall revert to such amount as may have been collected annually prior to such increase, subject to the right of the Committee, its successors or assigns, to increase the Regular Maintenance Charge as herein provided.

21. Purpose of the Maintenance Fund. All sums accruing to such Maintenance Fund shall be applied, so far as sufficient, towards the payment of maintenance expenses, of all sections of Pirates Beach and Pirates Cove Subdivision, including, but not limited to, the following: lighting, sidewalks and dunes and dune crossover walkways, if any, paths, public and/or private roads and/or streets (including, but not limited to, access roads), public canals, boat launching facilities, parks, security, playgrounds, Gulf and Bay lot owner facilities, esplanades, collecting and disposing of garbage, trash, and rubbish from common areas, and doing other things necessary or desirable in the opinion of the Committee to keep the Property neat and in good order, or which the Committee considers of a general benefit to the owners or occupants of lots in the Sections of Pirates Beach and Pirates Cove Subdivision. In this connection, it is understood that the judgment of the Committee in the expenditures of the Maintenance Fund shall be final so long as such judgment is exercised in good faith. It is further understood and agreed that the Committee shall have the right to commingle the sums comprising the Maintenance Fund with sums comprising other Maintenance Funds in other Sections of the Pirates Beach and Pirates Cove Subdivision and to expend portions of the Maintenance Fund for the purposes herein specified for the benefit of other Sections of the Pirates Beach and Pirates Cove Subdivision.

22. Special Laffite's Cove Maintenance Charge. The owner of each lot within the Property shall pay to the Developer a minimum annual maintenance charge ("Special Laffite's Cove Maintenance Charge"), of \$250.00 per year for the purpose of creating a fund to be known as a "Special Laffite's Cove Fund". Said Special Laffite's Cove Maintenance Charge may be increased from time to time by the Developer if in the sole discretion of the Developer, such action is required to satisfy funding requirements for those expenses enumerated in paragraph 23 below. Said Special Laffite's Cove Maintenance Charge shall be due and payable annually in advance on or before the first day of July of each year to the Developer at its offices in The Woodlands, Texas. The Special Laffite's Cove Maintenance Charge on any lot purchased after July 1st of any year (covering the period of time from the purchase thereof to June 30 of the ensuing year) shall be prorated in the proportion that the number of months remaining prior to July 1st of said ensuing year bears to a whole year.

23. Purpose of Special Laffite's Cove Fund. All sums accruing to the Special Laffite's Cove Fund shall be used for the purposes of landscaping the common areas within the Property and doing other things necessary or desirable in the opinion of the Developer to keep the Property neat and in good order, or which the Developer considers of a general benefit to the owners or occupants of lots in the Property, including, but not limited to security specifically designed for the Property. In this connection, it is understood that the judgment of the Developer in the expenditures of the Special Laffite's Cove Fund shall be final so long as such judgment is exercised in good faith. It is further understood and agreed that this fund shall not be commingled with the sums comprising the Maintenance Fund.

24. Liens to Secure Maintenance Charges. The Regular Maintenance Charge and the Special Laffite's Cove Maintenance Charge as hereinabove provided for, shall each constitute and be secured by a separate and valid and subsisting lien, hereby created and fixed, and which shall exist upon and against each lot and all improvements thereon, for the benefit of the Developer, its successors or assigns, and all lot owners, such liens to be enforceable by such beneficiary through the appropriate means at law.

25. Subordination of Liens. All liens established by this instrument are hereby specifically made subordinate and inferior to all liens, presently or in the future, given, granted and created at the instance or request of the owner of any such lot to secure the payment of monies advanced or to be advanced on account of the purchase price and/or the improvement of any such lot, and it is hereby further provided that as a condition precedent to any proceeding to enforce such lien upon any lot against which there is an outstanding valid and subsisting first mortgage lien, such beneficiary shall give the holder of such first mortgage lien sixty (60) days' written notice of such proposed action, such notice to be sent to the nearest office of such mortgage holder by prepaid United States registered or certified mail, such notice to contain a statement of the delinquent maintenance charges upon which the proposed action is based. Upon the request of the owner of any such mortgage, said beneficiary shall acknowledge in writing to such owner its obligation to give the foregoing notice with respect to the particular property covered by such first mortgage lien.

26. Relationship of Maintenance Fund Lien, Special Laffite's Cove Lien and Laffite's Cove at Pirates Beach Lien. The Maintenance Fund Lien, Special Laffite's Cove Lien, and the Laffite's Cove at Pirates Beach Lien shall be ranked as pari passu, with none of the liens being superior or subordinate to the other regardless of the priority of its recordation. The Laffite's Cove at Pirates Beach Lien shall mean the lien securing assessments and other costs provided for in the Declaration of Covenants for Laffite's Cove at Pirates Beach Canals and Nature Preserves recorded under County Clerk's File No. 9226208 of the Real Property Records of Galveston, Texas ("Section 6 Declaration"). In the event of a default in the obligations secured by any of such liens and the institution of proceedings to foreclose liens by the beneficiary thereof, the beneficiary instituting foreclosure proceedings shall provide written notice thereof to the beneficiary of the other liens, and, if there is then a default in any of the obligations secured by any of such liens, the proceeds of a foreclosure sale shall be applied as follows:

- (a) First, to the expenses incurred in connection with the foreclosure sale;
- (b) Second, in equal amounts to the beneficiary of each lien in which there is a default until all obligations secured by any of liens have been paid in full;
- (c) Third, 100% to the beneficiary of the lien securing any obligations remaining unpaid; and
- (d) Fourth, to the obligor(s) their heirs, personal representatives, successors or assigns.

Such foreclosure proceedings shall not in any manner alter, affect or diminish the rights of the beneficiary of any of such liens to bring an action at law against the persons liable for the obligations secured thereby. Likewise, such foreclosure proceedings and any sale or transfer thereunder shall not in any manner alter, affect or diminish the Laffite's Cove at Pirates Beach Lien, the Maintenance Fund Lien, and Special Laffite's Cove Lien as to any future assessments or other obligations secured thereby.

27. Terms of Maintenance Fund and Special Laffite's Cove Fund. The above described maintenance charges will remain in

effect for the full term (and extended term or terms, if applicable) of the within restrictions, covenants, and conditions.

28. Membership in Galveston Country Club. Each owner of one or more lots in the Subdivision shall, simultaneously upon the closing of the purchase of such lot or lots, make application for Membership in the Galveston Country Club on a form to be provided by said Club. If accepted for membership, the lot owner shall maintain such membership in an active status and shall timely pay all dues, charges and fees as may be established by the Galveston Country Club for Membership from time to time, during the period of ownership of a lot in the Subdivision, and shall comply with (and such membership shall be subject to) all rules, regulations and By-Laws promulgated by the Club as they may be amended from time to time. The obligation herein contained shall be a covenant running with the land and shall be binding upon the heirs, successors and assigns of the owner. Payment of such dues and fees shall be secured by a lien as provided in paragraph 24.

29. Use of Recreational Facilities. Lot owners in all sections of Pirates Beach and Pirates Cove Subdivision shall have the use of the combined recreational facilities within said subdivisions.

30. Reservation of Landscape Easement. There is hereby reserved for Developer, its successor and assigns an easement forty (40) feet wide running within, along, and adjacent to the entire rear lot line of Lots 44-53, both inclusive, Block 10. This easement shall be for the establishment, construction, location, operation, maintenance, repair, replacement and restoration of a landscaped area. Developer, or its successors and assigns, acting by and through its agents or employees shall have the right to enter upon the easement area hereby reserved, at all times, for the purpose of constructing, operating, and maintaining landscaping across, on and through the easement area, and to do any and all things necessary, useful, convenient or incidental to or in connection therewith, including, but not limited to, the right of constructing, operating, maintaining, repairing, and replacing irrigation equipment, berms, trees, shrubs, flowers, and other plantings thereon.

31. Terms and Enforcement. The restrictions, covenants, and conditions set forth in this instrument shall be deemed to run with all or any portion of the Property, and shall be a burden and benefit to Developer, its successors and assigns, and any grantees, successors, heirs, executors, administrators or assigns, and shall run with the land and shall be binding upon all parties and persons claiming under Developer until December 31, 2012, at which time these covenants shall be extended automatically for successive periods of ten (10) years each unless an instrument signed by the majority of the then owners of lots within the Property has been duly executed and acknowledged, changing said covenants, restrictions and conditions, in whole or in part, and filed for record in Galveston County, Texas. Enforcement of these restrictions, covenants, and conditions, including specifically but not limited to, the terms and provisions of paragraph 3. hereof, may be had by any proceedings at law or in equity against any person or persons so violating or attempting to violate any of the provisions hereof, including by means of actions to restrain or prevent such violation or attempted violation by injunction, prohibitive or mandatory. It shall not be a prerequisite to the granting of any such injunction that there be an inadequate remedy at law, or that there be any showing of irreparable harm or damage if such injunction is not granted. In addition, any person entitled to enforce the provisions hereof may recover such damages, either actual or punitive, as such person may show himself justly entitled by reason of such violation of the terms and provisions hereof. Such enforcement may be by the owner of any lot within the Property, by Developer, or by any association of owners of lots in Pirates Beach and Pirates Cove Subdivisions, as provided by law. Failure by any person or persons to enforce any restriction, covenant or condition herein contained, or acquiescence in any violation hereof, shall not be deemed the

waiver of the right to enforce against the violator or others the provisions so violated or any other provision.

32. Property Owner's Association. Developer shall have the right, but not the duty, to create or cause to be created at any time within the duration of these restrictions one or more property owners' associations, each incorporated as a Texas nonprofit corporation. Every person or entity who is a record owner of a lot within the Subdivision shall be a member of each property owners' association created. Lot ownership shall be the sole qualification for membership, and membership shall be appurtenant to and may not be separated from lot ownership. Members shall be entitled to one (1) vote in each property owners' association for each lot owned. Developer shall have the right, but not the duty, and at its sole discretion, to transfer or sell the recreational facilities it owns, if any, and any or all reserves it owns within the Subdivision, to any property owners' association it forms. Also Developer may transfer its responsibilities under these restrictions, covenants, and conditions, to any property owners' associations it forms, including, but not limited to, the responsibility for collection and disbursement of the Maintenance Fund, responsibility for collection and disbursement of the Special Laffite's Cove Fund, responsibility for enforcing the Maintenance Fund Lien and Special Laffite's Cove Lien and the responsibilities for architectural control set out in paragraph 3. hereof.

33. Annexation. Additional land in Pirates Cove Section Six, a subdivision in Galveston County, Texas according to the map or plat thereof, recorded in Book 18, Pages 277-181 of the Map Records in the Office of the County Clerk of Galveston County, Texas, as amended by Pirates Cove Section Six First Amending Plat recorded in Book 18, Pages 326-333 and Partial Replat of Pirates Cove Section Six First Amending Plat recorded in Book 18, Pages 366-367 of the Map Records in the Office of the County Clerk of Galveston, Texas, owned by Developer, its successors or assigns, may be added or annexed to the Property and made subject to the terms hereof by the Developer, its successors or assigns, without the consent of owners at any time or from time to time by the recording of an instrument expressly stating an intention to so annex such additional land. Such additional land which may be added or annexed shall become subject to the Regular Maintenance Charge and Special Laffite's Cove Maintenance Charge.

34. Prior Covenants. These restrictions, covenants and conditions are expressly made subject to the Section 6 Declaration. In the event of any conflict between these restrictions, covenants, and conditions of the Section 6 Declaration, the Section 6 Declaration will control.

35. Responsibility of Developer. It is expressly understood and agreed that Developer assumes no obligation, responsibility or liability in the execution of these reservations, restrictions, covenants and conditions, and further that any or all duties, responsibilities, maintenance charges, and/or rights contained, established or reserved herein may be assigned, transferred and conveyed to a civic club or similar organization at any time Developer is reasonably assured that said civic club or similar organization is able to function for the benefit of all owners of lots in the Subdivision.

36. Severability. Invalidation of any one of these covenants by judgment or other court order shall in nowise affect any of the other provisions, such other provisions to remain in full force and effect.

37. Amendments of These Restrictions, Covenants, and Conditions. Any part or all of these restrictions, covenants, and conditions may be amended, from time to time by an instrument duly executed and acknowledged and recorded in the office of the County Clerk of Galveston County, Texas, signed by the owners of a majority of the lots in the Subdivision, provided that only one vote shall be allowed for each lot in the Subdivision, regardless of

whether more than one person owns a lot, and provided, further that when one person or Developer owns more than one lot, he or it shall be entitled to one vote for each lot owned.

38. Headings. All sections and paragraph headings used herein are for convenience only and shall have no efficacy in construing any of the restrictions, covenants and/or conditions herein contained.

This instrument is a correction instrument given in lieu of and as a substitute for that certain instrument dated July 2, 1992, filed for record under County Clerk's File No. 9226209 of the Real Property Records in order to correct clerical errors in paragraph 5(k) and in paragraph 30, Reservation of Landscape Easement, and this instrument is made in order to correct said mistakes and in all other respects confirming the former instrument.

WITNESS the execution hereof this the 3rd day of August, 1992.

THE WOODLANDS CORPORATION

By: [Signature]
Name: J. L. Rogers
Title: Senior Vice President

THE STATE OF TEXAS §
COUNTY OF MONTGOMERY §

This instrument was acknowledged before me on Aug. 3, 1992 by J. L. ROGERS, Senior Vice President of THE WOODLANDS CORPORATION, a Delaware corporation on behalf of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 3 day of August, 1992.

[Signature]
Notary Public, State of Texas



RETURN TO:
THE WOODLANDS CORPORATION
ATTN: MARY ROSE
P.O. BOX 4000
THE WOODLANDS; TX 77380

FILED FOR RECORD

92 AUG -6 AM 11:19

[Signature]
COUNTY CLERK
GALVESTON COUNTY, TEXAS

STATE OF TEXAS COUNTY OF GALVESTON
I hereby certify that this instrument was filed on the date and time stamped hereon by me and was duly recorded in the Official Public Records of Real Property of Galveston County Texas, on

AUG 6 1992



[Signature]
COUNTY CLERK
GALVESTON CO., TEXAS