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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THE STATE OF TEXAS :  
COUNTY OF GALVESTON :      KNOW ALL MEN BY THESE PRESENTS:

THIS DECLARATION, made on the date hereinafter set forth by THIRTY-TWO HUNDRED CORPORATION, a Texas corporation, hereinafter referred to as "Declarant",

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in the County of Galveston, State of Texas, more particularly described as follows:

All that certain tract or parcel of land containing 3.2741 acres of land, more or less, and being the Dock Lot Area, Marina Common Area and Reserves as shown on the replat of Phase I of The Wharf at Clear Lake, recorded on December 14, 1977, in Volume 15, Page 78 of the Map Records of Galveston County, Texas, and rerecorded on March 13, 1978, under Clerk's File No. 148726, in the Office of the County Clerk of Galveston County, Texas, and being more particularly described by metes and bounds in Exhibit "A", attached hereto and incorporated herein by reference; and

WHEREAS, Declarant desires to construct on said property wharfs, finger wharfs and pilings thereby creating the Docks shown on the aforesaid replat; and

WHEREAS, Declarant desires to sell and/or lease the Slips and Reserves.

NOW THEREFORE, Declarant hereby declares that all of the properties above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, all of which are for the purpose of enhancing and protecting the value, desirability, and attractiveness of the real property. These easements, covenants, restrictions, and conditions shall run with the real property and be binding on all parties having or acquiring any right, title or interest in the above described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to THE WHARF AT CLEAR LAKE SLIP MAINTENANCE ASSOCIATION, INC., its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Slip or Reserve which is a part of the Property, except contract sellers pursuant to a written contract, in which case the contract purchaser shall be the Owner, so long as said contract is in existence, but excluding those having such interest merely as security for the performance of an obligation. However, the term "Owner" shall include any mortgagee or lienholder who acquires fee simple title to any Slip or Reserve which is a part of the Property, through judicial or non-judicial foreclosure or by Deed in Lieu of foreclosure.

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Section 3. "Property" shall mean and refer to that certain real property hereinbefore described, and such additions as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean that portion of the Property owned by the Association for the common use and enjoyment of the members of the Association and shall include, but is not limited to, all wharfs, fingers, pilings, storage facilities, trees, landscaping, pavements, streets, pipes, wires, conduits, and other public utility lines situated thereon. The Common Area shall mean and refer to all of the Property save and except: (a) The one hundred thirty-seven (137) numbered Slips shown on the recorded Subdivision map or plats of the property upon which there is, or will be, constructed dock facilities by Declarant, and (b) the four (4) Reserves shown on said maps or plats.

Section 5. "Slip" or "Reserve" is any parcel of land, as shown on the recorded plat referred to above, upon a portion of which there will be built a wharf and/or a finger wharf to provide for the berthing of a boat. Slip may not be divided, but Reserves may be divided.

Section 6. "Dock" shall mean a group of Slips, as shown on the aforesaid replat.

Section 7. "Wharf" shall mean a wharf, approximately seven feet (7') wide, constructed or to be constructed by Declarant, one between Docks 1 and 2 and another between Docks 3 and 4, both of which shall extend from the shoreline to the end of the respective Docks farthest from said shoreline, and a third between the shoreline and Dock 18.

Section 8. "Finger-wharf" or "Finger" shall mean a finger-wharf, approximately four feet (4') wide where it joins a wharf and tapering therefrom to a width of approximately one foot (1'), extending from a wharf to the end of a slip, constructed or to be constructed by Declarant on every other boundary line between Slips, the location of each finger being indicated by the darker Slip boundary lines on the aforesaid replat.

Section 9. "Limited Common Area" shall mean those portions of the Common Area reserved for the exclusive use of the Owner of a certain Slip or Reserve or the Owners of all Slips or Reserves on the same Dock, their guests and invitees, to the exclusion of other Owners. The fingers shall be limited to use by the Owners and their guests, invitees and tenants of the adjoining and or reserves in the Dock(s) adjoining said wharfs.

Section 10. "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 11. "Lienholder" shall mean the holder of a first lien mortgage on any Slip or Reserve in the development.

Section 12. "Declarant" shall mean and refer to Thirty-Two Hundred Corporation, its successors and assigns if such successors and assigns should acquire more than one undeveloped Lot from the Declarant.

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ARTICLE II

PROPERTY RIGHTS

Section 1. Owner's Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area and such easement shall be appurtenant to and shall pass with the title to every Slip or Reserve, subject to the following provisions:

(a) The right of the Association to suspend the voting rights and right to use of the facilities owned or operated by the Association, by a Member for any period during which any assessment against his Slip or Reserve remains unpaid; and for a period not to exceed thirty (30) days for any infraction of its published rules and regulations.

(b) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency or authority subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless (i) an instrument of agreement to such dedication or transfer, signed by two-thirds (2/3) of each class of Members entitled to vote is properly recorded, in the Deed Records of Galveston County, Texas, and (ii) written notice of proposed action under this provision is sent to every Owner and Lienholder not less than thirty (30) days, nor more than sixty (60) days in advance of said action.

(c) The right of the Association to limit the number of guests of Members and to prohibit Members who do not occupy their Slip(s) or Reserve(s) from using the Common Area facilities when the Slip(s) or Reserve(s) is occupied by a Tenant other than the Owner.

(d) The right of the Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Common Area and facilities and in aid thereof and, with the consent of all Lienholders, to mortgage said property, and the rights of such mortgagee in said properties shall be subordinate and inferior to the rights of the Owners hereunder;

(e) The right of the Association to make rules and regulations relating to the use of the parking spaces;

(f) The right of the Association to make rules and regulations relating to traffic flow, on street parking and other uses of the streets and drives on the Property;

(g) The right of of the Association to make rules and regulations relating to the use and maintenance of the Common Area;

(h) The right of the Association to make rules and regulations relating to the use and maintenance of Limited Common Area; and

(i) The right of the Association to make rules and regulations relating to the use and operation of boats within the Property.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property. The Owners hereby covenant that any lease executed on a Slip or Reserve shall be in writing and contain provisions binding any lessee thereunder to the terms of the Covenants, Conditions and Restrictions, the By-Laws, and the rules and regulations applicable to the property and further providing that non-compliance with the terms of the lease shall be a default thereunder.

Section 3. Title to the Common Area. The Declarant hereby covenants for itself, its successors and assigns, that it will convey fee simple title to the Common Area, including the Limited Common Area, to the Association, free and clear of all encumbrances and liens. The Common Area shall remain undivided and shall at all times be owned by the Association or its successors, and no part thereof shall be alienated, released, transferred, hypothecated or otherwise encumbered without the approval of all Lienholders, it being agreed that this restriction is necessary in order to preserve the rights of the Owners with respect to the operation and management of the Common Area. Each Owner shall have an unrestricted right of access to his Slip or Reserve over the wharf within which his Slip is located. Although Declarant intends to construct the wharfs and fingers, Declarant has no obligation to do so and, in fact, may not construct all of said Wharfs and Fingers. As Wharfs and Fingers are constructed, however, they will be submitted to the Association upon completion and upon acceptance by the Association, title thereto shall pass automatically to the Association.

### ARTICLE III

#### MEMBERSHIP AND VOTING RIGHTS

Section 1. Every person or entity who is a record owner of a fee or an undivided fee interest in any Slip or Reserve which is subject, by covenants of record, to assessment by the Association, except contract sellers pursuant to a written contract, in which case the contract purchaser shall be the Owner, so long as said contract is in existence, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No Owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from any ownership of any Slip or Reserve which is subject to assessment by the Association. Ownership of such Slip or Reserve shall be the sole qualification for membership. Any mortgagee or lienholder who acquires title to any Slip or Reserve which is a part of the Property, through judicial or non-judicial foreclosure or by Deed in Lieu of foreclosure, shall be a member of the Association.

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Section 2. The Association shall have two classes of voting membership:

Class A. Class A Members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Slip or Reserve owned. When more than one person holds such interest in any Slip or Reserve, all such persons shall be Members. The vote for such Slip or Reserve shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Slip. or Reserve.

Class B. The Class B Member(s) shall be the Declarant, and its successors, and shall be entitled to three (3) votes for each Slip or Reserve owned, provided that the Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or
- (b) March 1, 1983.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessment The Declarant, for each Slip or Reserve Owned within the Property, hereby covenants, and each Owner of any Slip or Reserve by acceptance of a deed therefor, whether or not it shall be expressed in any such deed or other conveyance, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges; and (2) special assessments for capital improvements, such assessments to be fixed, established, and collected as hereinafter provided. The annual and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be secured by a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest, costs, and reasonable attorney's fees, shall be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the Owners in the Property and in particular for the improvement and maintenance of the Property, the Common Area and services and facilities relating to the use and enjoyment thereof and of the wharfs and fingers situated thereon. Assessments shall include, but are not limited to, funds to cover actual Association costs for all taxes, insurance, repair, replacement and maintenance of the Common Area and of the maintenance of the wharfs and fingers as herein authorized or as may from time to time be authorized by the Board of Directors; and the cost of other facilities and service activities including, but not limited to, mowing grass, caring for the grounds, sprinkler system, landscaping, water service furnished to Slips by the Association, and other charges required by this Declaration of Covenants, Conditions, and Restrictions or that the Board of Directors of the Association shall determine to be necessary to meet the primary purpose of the Association, including the establishment and maintenance of a reserve for repair, maintenance, taxes and other charges as specified herein.

Section 3. Basis and Maximum of Annual Assessments. Until January, 1979, the maximum annual assessment shall be One Hundred Eighty (\$180) Dollars per Slip.

(a) From and after January, 1979, the maximum annual assessment may be increased effective January 1 of each year without a vote of the membership in conformance with the rise, if any, of the Consumer Price Index (published by the Department of Labor, Washington, D. C.) for the preceding month of July.

(b) From and after January, 1979, the maximum annual assessment may be increased above that established by the Consumer Price Index Formula, provided that any such change shall have the assent of two-thirds (2/3) of each class of all votes of the Association entitled to be cast, at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting. The limitations hereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident of consolidation in which the Association is authorized to participate under its Articles of Incorporation.

Section 4. Special Assessments for Capital Improvement. In addition to the annual assessment authorized above, the Association may levy, in any assessment year, a special assessment applicable to the year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, or unexpected repair or replacement of a described capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of each of all votes of the Association entitled to be cast at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting.

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Section 5. Notice and Quorum for any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast a majority of all votes of the Association shall constitute a quorum. If the required quorum is not present, another meeting may be called, subject to the same notice requirement, and the required quorum shall be one-half (1/2) of the required quorum at the preceding meeting.

Section 6. Uniform Rates of Assessment. Unless approved by all Lienholders, both annual and special assessments must be fixed at a uniform rate for all Slips and may be collected on a monthly basis, i.e. 1/12th of the annual assessment on each Slip each month, provided, however, no maintenance share be due on any Slip until the Wharf and Finger seeming the same have been accepted by the Association, and then only 25% of the assessment shall be paid until the Slip is rented, leased, sold or contracted to be sole.

Section 7 Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Slips no later than the first day of the month following the conveyance of the Common Area to the Association. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Slip at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. Assessments shall be due and payable monthly or as otherwise directed by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Slip have been paid. A properly executed certificate of the Association as to the status of assessments on a Slip is binding upon the Association as of the date of its issuance.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the due date at the rate of nine and one-half percent (9-1/2%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. Interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. Each such Owner, by his acceptance of a deed to a Slip, hereby expressly vests in the Association, or its agents, the right and power to bring all actions against such Owner personally for

the collection of such charges as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including foreclosure by an action brought in the name of the Association in a like manner as a mortgage or deed of trust lien foreclosure on real property, and such Owner expressly grants to the Association a power of sale in connection with said lien. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Slip.

Section 9. Subordination of the Lien to Mortgages. The lien securing the assessment provided for herein shall be subordinate to the lien of any mortgage or mortgages granted or created by the Owner of any Slip to secure the payment of monies advanced and used for the purpose of purchasing and/or improving such Slip. Sale or Transfer of any Slip shall not affect the assessment lien. However, the sale or transfer of any Slip pursuant to a foreclosure under such purchase-money or improvement mortgages, or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to payments thereof which became due prior to such sale or transfer. No sale or transfer shall relieve such Slip from liability for any assessments thereafter becoming due or from the lien thereof.

Section 10. Exempt Property. All properties dedicated to, and accepted by, a local public authority and all properties owned by a charitable or non-profit organization shall be exempt from the assessments created herein, except no land or improvements devoted to dwelling use shall be exempt from said assessments.

Section 11. Management Agreements. Each Owner of a Slip hereby agrees to be bound by the terms and conditions of all management agreements entered into by the Association. A copy of all such agreements shall be available to each owner. Any and all management agreements entered into by the Association shall provide that said management agreement may be cancelled with thirty (30) days written notice for cause and without cause when authorized by sixty (60%) per cent of the votes of each class of the Members of the Association. In the event the cancellation of the management agreement is so authorized, the Association or its Board of Directors shall immediately negotiate a new management agreement with a party or parties, which new management agreement will become operative immediately upon the cancellation of the preceding management agreement. It shall be the duty of the Association or its Board of Directors to effect a new management agreement prior to the expiration of any prior management contract. Any and all management agreements shall be for a term not to exceed one year and shall be made with a professional and responsible party or parties with proven management skills and experience managing a project of this type. The Members of the Association may terminate the professional management of the Property and assume self-management by the Association upon written agreement executed by Members entitled to cast a majority of the votes of the Association. In such event, notice of such action shall be given all Lienholders as provided in the By-Laws of the Association.



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Section 12. Insurance Requirements.

The Association, through the Board of Directors, or its duly Authorized agent, shall obtain such insurance covering the Common Area as it may determine, including public liability, upon such terms as it deems desirable, provided, however, the Association may elect to not obtain insurance and instead "Self-Insurance" by creating a reserve fund.

ARTICLE V

MAINTENANCE

The Association shall provide maintenance upon all of the dock facilities and Common Areas. Such maintenance shall not include any boat mooring facilities, which shall be purchased and maintained by the Slip Owner.

In the event that the need for maintenance or repair of a main pier or cat-walk or the improvements thereon is caused through the willful or negligent acts of an Owner, or through the willful or negligent acts of the family, guests or invitees of said Owner, the cost of such maintenance shall be added to and become part of the assessment to which such Owner is subject.

ARTICLE VI

USE RESTRICTIONS

Section 1. Except for Common Area facilities, the property is hereby restricted to boat slip use only. The Common Area shall not be used for any commercial purposes. No buildings or structures shall be erected upon said Property, except for the Common Areas. No structures of a temporary character, including trailers, motor vehicles or tents shall be used on any portion of said Property at any time for camping, either temporarily or permanently.

Section 2. Each Slip shall be conveyed as a separately designated and legally described freehold estate subject to the terms, conditions and provisions hereof.

Section 3. Notwithstanding any provisions herein contained to the contrary, it shall be expressly permissible for Declarant or the Builder of the dock facilities to maintain, during the period of construction and sale of the Slips, upon such portion of the premises as Declarant deems necessary, such facilities as in the sole opinion of the Declarant may be reasonably required, convenient or incidental to the construction and sale of said Slips, including, but without limitation, a business office, storage area, construction yards and sales office.

Section 4. No fishing or crabbing shall be permitted from any wharf or finger and fishing or crabbing for personal consumption or sport shall be permitted only from a boat moored in a slip and then only by an Owner, members of his immediate family, his guests and tenants.

Section 5. No advertising signs (except not more than one (1) five square foot "for rent" or "for sale" sign per Slip), billboards, unsightly objects, or nuisances shall be erected, placed or permitted to remain on said Property, nor shall said Property be used in any way or for any purpose which may endanger the health or unreasonably disturb the Owner of any Slip. Declarant, however, shall have the sole right to erect identifying signs of any size as it may deem desirable. Each Owner may attach a sign bearing the name of his boat to the main pier servicing his Slip, however, the Board of Directors reserves the right to approve the design and location of all signs, and reserves the right to remove any sign which has not been approved and shall not be liable to any person or persons for any damages of whatever nature in doing so in a reasonable manner. No business activities of any kind whatever, whether part time or full time, shall be conducted in any Slip or in any portion of said Property; provided, however, the foregoing covenants shall not apply to the business activities, signs and billboards, or the construction and maintenance of dock facilities, if any, of Declarant, its agents and assigns during the construction and sale period, or of the Association as incorporated or to be incorporated under the laws of the State of Texas, its successors and assigns, in furtherance of its powers and purposes as herein set forth.

Section 6. All rubbish, trash, and garbage shall be kept in containers within the areas provided and designated by the Association for collection purposes. No fish or crab cleaning shall be permitted on said Property. No rubbish, trash or garbage shall be thrown in the water covering the Property and no human wastes of any kind shall be discharged or put in said water.

Section 7. Except for the right of ingress and egress, to their respective Slips, or Reserves, the Owners of the Slips are hereby prohibited and restricted from using any of the wharfs or fingers, except as herein provided or as may be allowed by the Association's Board of Directors. It is expressly acknowledged and agreed by all parties concerned that this paragraph is for the mutual benefit of all Owners of Slips in the Property and is necessary for the protection of said Owners.

Section 8. No Owner shall do any work upon nor make any repairs to any of the wharfs or fingers, the Association having the sole responsibility for the same.

Section 9. No storage or maintenance facilities of any kind, shall be allowed or maintained overnight upon any portion of the wharfs or fingers, and all storage or maintenance facilities, and supplies, temporarily allowed or maintained thereon, shall not interfere with the use of said wharfs or fingers by any other Owners, their guests or invitees.

Section 10. No outdoor parking space on the Property shall be used for storage or repair of campers, unused or inoperable vehicles, boats and/or trailers or any other items which the Association deems unsightly or inappropriate.

Section 11. All boats shall be moored within Slips and no part of any boat, when so moored, shall extend into the channel a greater distance than permitted by the Association and no part shall extend over a wharf or finger. No boat shall be temporarily tied-up alongside any wharf or across any Slip unless a qualified operator remains in said boat. No boat repairs shall be permitted on any part of the wharfs or fingers. All boats in the Common Area shall be operated in such a manner so as not to cause any damage to any of the Common Area or the property of any other Owner. No hoists, lifts, davits, lockers, cabinets or other structures shall be attached to any of wharfs or fingers.

Section 12. No action shall at any time be taken by the Association or its Board of Directors which in any manner would discriminate against Owner or Owners in favor of the other Owners.

#### ARTICLE VII

#### EASEMENTS

Section 1. Each Slip and the Property included in the Common Area shall be subject to a blanket easement for the establishment and maintenance of the dock facilities, so long as it stands and shall and does exist.

Section 2. There is hereby created a blanket easement upon, across, over and under said Property for ingress, egress, installation, replacing, repairing and maintaining all electrical and water utilities. By virtue of this easement, it shall be expressly permissible for the providing electrical and/or water company to erect and maintain the necessary equipment on said property and to affix and maintain electrical and/or water lines on, above, across and under the dock. An easement is further granted to all police, fire protection, ambulance and all similar persons to enter upon the streets and Common Areas in the performance of their duties. Further, an easement is hereby granted to the Association, its officers, agents, employees, and to any management company duly selected by the Association, to enter in or to cross over the Common Area and/or any Slip to perform the duties of maintenance and repair of the Slip or Common Area provided for herein. Notwithstanding anything to the contrary contained in this paragraph, no electrical lines, water lines, or other utilities may be installed or relocated on said Property except as initially programmed and approved by the Declarant or thereafter approved by Declarant or the Association's Board of Directors. Should any utility furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document, Declarant shall have the right to grant such easement on said Property without conflicting with the terms hereof. The easements provided for in this Article VII shall in no way affect any other recorded easement on said premises.

Section 3. Notwithstanding the fact that the Wharfs and Fingers are constructed upon and a part of each Slip, they shall not become a part of said Slips and the Owners of said Slips shall not have any rights or interests therein except as Owners of Slips and therefore member of the Association.

## ARTICLE X

### GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the Owner of any Slip subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of twenty (20) years from the date of this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended at any time upon affirmative vote of 75% of the total votes then entitled to be cast. Any amendment must be properly recorded in the Deed Records of Galveston County, Texas. However, notwithstanding the above, all First Lienholders shall be given written notice of any such proposed amendment at least thirty (30) days prior to the submission of said proposed amendment to the Members. Any amendment to (i) allow the Members to alienate the Common Area without the consent of all lienholders or (ii) to change the ratio of assessments against Owners as herein provided, must have the approval of all First Lienholders, except for a change in the ratio of assessment caused by an annexation as provided in Section 4 hereof, if said change results in a prorata assessment between all members.

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Section 4. Annexation of Additional Property. Declarant reserves the right to annex additional property, whereby said property will be subject to this Declaration of Covenants, Conditions and Restrictions and the owners thereof will become members of the Association, provided said additional property is adjacent and contiguous to either the property described in the attached Exhibit "A", or adjacent to other property previously annexed and made subject to these Declarations of Covenants, Conditions and Restrictions, said annexation to be without the assent of or notice to any members of the Association or First Lienholders. Any improvements on property so annexed must be of comparable style, quality, size and cost in order to preserve the appearance and value of the real property.

Section 5. Lienholders. Anything to the contrary contained herein notwithstanding, all lienholders shall have the right to: (a) inspect the books and records of the Association during normal working hours, (b) receive written notice of all meetings of the Association, (c) designate a representative to attend all such meetings, (d) receive notice of abandonment or termination of the Association, and (e) receive notice of the effectuation of any decision by the Association to terminate project management and assume self management. Notice to and approval of Lienholders shall be in accordance with the By-Laws of the Association.

Section 6. Gender and Grammar. The singular wherever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereto set its hand and seal this 27th day of March, 1978.

ATTEST:

  
Secretary

DECLARANT:  
THIRTY-TWO HUNDRED CORPORATION

BY:   
President

THE STATE OF TEXAS  
COUNTY OF GALVESTON

BEFORE ME, the undersigned authority on this day personally appeared EDWARD DUTKO, President of THIRTY-TWO HUNDRED CORPORATION, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 2 day of May, 1978.

  
Notary Public in and for Galveston County, Texas

JOINDER OF MORTGAGEE

The undersigned, SECURITY SAVINGS AND LOAN ASSOCIATION, being the owner and holder of an existing mortgage and lien upon and against the real property described in the foregoing restrictions and defined as the "Property" in said restrictions, as such mortgagee and lienholder, does hereby consent to and join in said Declaration of Covenants, Conditions and Restrictions.

SIGNED AND ATTESTED by the undersigned officers of said SECURITY SAVINGS AND LOAN ASSOCIATION, hereto authorized, this the 3rd day of May, 1978.

ATTEST:

SECURITY SAVINGS AND LOAN ASSOCIATION

[Signature]  
Secretary

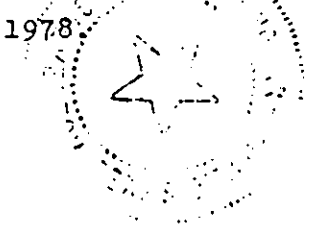
BY: [Signature]  
President

THE STATE OF TEXAS            !

COUNTY OF GALVESTON        !

BEFORE ME, the undersigned authority, on this day personally appeared Max O. Marks, President of SECURITY SAVINGS AND LOAN ASSOCIATION, a corporation, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 3rd day of May, 1978.



[Signature]  
Notary Public in and for Galveston County, Texas.

RETURN TO:  
SUPERIOR TITLE CO., INC.  
147 Gulf Freeway South  
League City, Texas 77573

DEED OF TRUST

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MARINA AREA, PHASE I

All that certain 3.3256 Acre Tract of land out of 23.4670 Acre Tract in the Michael Muldoon 2 League Grant, Abstract No. 18, Galveston County, Texas in the City of League City, on Clear Creek, said Marina Area, Phase I being a part of that certain 6.662 Acre Tract shown on the Re-Plat of Phase I of The Wharf at Clear Lake, said Re-Plat recorded in Volume 15, Page 107, in the office of the County Clerk of Galveston County, Texas, said 3.2741 Acre Tract being more particularly described by metes and bounds as follows:

COMMENCING at a 3/4 inch iron pipe marking the Southeast corner of said 23.4670 Acre Tract, said Commencing corner being N 14° 30' W, a distance of 41.30 feet from a 5/8 inch iron rod marking the Northeast corner of Lot 1, Division "C", League City Subdivisions according to the unrecorded plat of said Subdivisions prepared for J. C. League by R. W. Luttrell C. E. in 1893;

THENCE N 14° 30' W, along and with the Westerly R/W line of Davis Road, a distance of 680.00 feet to a point for corner;

THENCE S 67° 00' 00" W, along the Northerly line of Phase I a distance of 151.69 feet to a point marking the Northeast corner and PLACE OF BEGINNING of the tract herein described;

THENCE in a Southerly direction along the arc of a curve to the right having a Radius of 640.61 feet, a distance of 436.94 feet to a P. C. C. ;

THENCE in a Southwesterly direction along the arc of a curve to the right; having a Radius of 220.32 feet, a distance of 166.66 feet to a P. C. C.;

THENCE in a Westerly direction along the arc of a curve to the right, having a Radius of 152.18 feet, a distance of 38.30 feet to the P. T.;

THENCE S 0° 02' 50" W, a distance of 51.47 feet to a point for corner on the North R/W line of Crow's Nest Drive;

THENCE S 89° 57' 10" W, along said R/W line, a distance of 9.10 feet to a point for corner;

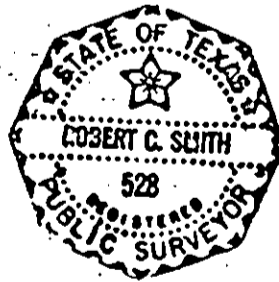
THENCE N 22° 09' 26" W, a distance of 483.45 feet to a point for corner;

THENCE N 67° 00' 00" E, a distance of 388.31 feet to the PLACE OF BEGINNING.

CONTAINING 3.2741 Total Acres of Land more or less.

RCS/ekd  
5-2-78

*Robert C. Smith*  
ROBERT C. SMITH, Registered Public Surveyor No. 528



Superior Title Co. Inc.  
Box 870  
Texas City, Texas 77590

STATE OF TEXAS

COUNTY OF GALVESTON

I hereby certify that the within and out of the  
date and time stated above by me and my City recorded  
in the County and City of the record books of Galveston  
County, Texas as stated herein by me.



MAY 5 1978

*John L. Glenard, Jr.*  
Notary Public, Galveston County, Texas

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RECORDED IN PUBLIC RECORDS (1978)

FILED FOR RECORD  
MAY 5 3 09 PM 1978

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