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the Architectural Control Committee (herein sometimes called the "Committee") composed of three (3) or more representatives from time to time appointed by the Developer. The persons serving from time to time on the Committee may be removed, with or without cause, by the 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 of one or more members of such Committee, the Developer shall promptly designate other persons to replace those so removed. Approval by such Committee shall be granted or withheld based on matters of compliance with the provisions of this instrument, quality of materials, harmony of external design with existing and proposed structures and location with respect to topographical and finished grade elevation and such other relevant considerations as the Architectural Control Committee may, in the exercise of its sole discretion, determine to be of significance in such determination. Each application made for architectural control approval shall be accompanied by a fee of \$100.00 to defray expenses of the Committee and by a set of plans and specifications of all proposed construction and other work to be done, including a plat plan showing the location on the Townhouse Lot and dimensions of all proposed walls, drives, curb cuts and other matters relevant to architectural approval. As to each set of plans and specifications which are approved by the Committee, a certificate of compliance shall be issued authorizing construction of the proposed improvements in accordance with the plans and specifications so approved. In the event said Committee, fails to approve or disapprove

such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will be presumed and this Article will be deemed to have been fully complied with.

Section 5.02. No exterior aerial antenna, flag pole of any kind or other structure (except chimney) shall project above the uppermost roof line of the Townhouse on any Townhouse Lot.

Section 5.03. The Architectural Control Committee shall have the power and authority, to be exercised in its sole discretion, to authorize variances and exemptions from the terms and provisions of any of the restrictive covenants and requirements set forth in this Article V or in Article VIII hereof, as to any one or more of the Townhouse Lots.

Section 5.04. The rights, powers and duties reserved unto Developer in this Article V shall remain in force and effect so long as the Covenants and Restrictions set forth herein shall be and remain in force and effect.

Section 5.05. The terms and provisions of this Article V may be enforced in the same manner as the other terms and provisions hereof are enforced pursuant to Section 9.11 hereof.

ARTICLE VI

Maintenance

Section 6.01 - Owner's Maintenance Responsibilities.

The responsibility of the Townhouse Owner shall be to maintain, repair and replace at his expense all portions of his Townhouse, except the portions to be maintained, repaired and replaced by the Corporation as hereinafter stated; and to

promptly report to the Corporation any defect or need for repairs, the responsibility for the remedying of which is that of the Corporation.

Section 6.02 - Common Area. The maintenance and operation of the Common Area shall be the responsibility of the Corporation.

Section 6.03 - Exterior Maintenance and Repair of Buildings. The exterior of all Townhouses shall be maintained and repaired on a periodic basis by the Corporation, which maintenance and repair shall include, but shall not be limited to, repainting and repair of exterior walls, shutters, trim, eaves, fences, gutters, downspouts, roofs or any portion of the foregoing. Such exterior maintenance shall not include glass surfaces. The times and extent of such maintenance and repair shall be determined by the Corporation in its sole discretion. The exterior maintenance to be performed by the Corporation shall extend only to maintenance and repair of normal wear and tear, and not to exterior damage caused by casualty ("casualty damage"). Each Townhouse Owner shall be responsible for and shall promptly cause to be made the repair of any such casualty damage to his respective Townhouse in a good and workmanlike manner and in accordance with the original plans and specifications for such Townhouse. In the event any such Owner shall fail or refuse to repair such casualty damage within thirty (30) days, the Corporation is hereby irrevocably authorized by such Owner to repair such casualty damage. The Owner shall promptly repay the Corporation for all amounts expended in making such repairs of casualty damage, and the Corporation shall have a lien to

secure payment thereof in like manner as the lien to secure payment of the assessments provided for in Article IV above, with the right of foreclosure.

There is hereby reserved in favor of the Corporation the right to enter upon all of the Townhouse Lots and buildings located thereon for the purpose of conducting a periodic program of exterior maintenance and repair.

The Corporation shall not be responsible for repairs beyond the exterior surfaces of the Townhouses, all such repairs being the responsibility of the Townhouse Owner.

Section 6.04 - Management Agreements. Each Owner of a Townhouse Lot hereby agrees to be bound by the terms and conditions of all management agreements entered into by the Corporation. A copy of all such agreements shall be available to each Owner. Any and all management agreements entered into by the Corporation shall provide that said management agreement may be cancelled by an affirmative vote of seventy-five percent (75%) of the votes of the Members of the Corporation. In no event shall such management agreement be cancelled prior to the effecting by the Corporation or its Board of Directors of 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 Corporation or its Board of Directors to effect a new management agreement prior to the expiration of the term of any prior management contract. Any and all management agreements shall be made with a responsible party or parties having experience adequate for the management of a project of this type.

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ARTICLE VII

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Party Walls

Section 7.01 - General Rules of Law to Apply.

Each wall which is built as a part of the construction of a Townhouse and placed on the dividing line between the Townhouse Lots shall constitute a Party Wall and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding Party Walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto. Each Townhouse Owner sharing a Party Wall shall have a perpetual easement in that part of the premises of the other on which that Party Wall is located, for Party Wall purposes.

Section 7.02 - Sharing of Repair and Maintenance.

The cost of reasonable repair and maintenance of a Party Wall shall be shared by the Townhouse Owners who make use of the wall in equal proportions.

Section 7.03 - Destruction by Fire or Other Casualty.

The destruction in whole or in part of a Party Wall shall not affect the rights and obligations inherent therein and the Townhouse Owners sharing such Party Wall shall continue to have the right of obtaining lateral support from the adjoining Townhouse. If a Party Wall is destroyed or damaged by fire or other casualty, any Townhouse Owner who has used the wall may restore it, and if the other Townhouse Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in equal proportions without prejudice, however, to the right of any such Townhouse Owner to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 7.04 - Weatherproofing. Notwithstanding any other provision of this Article, a Townhouse Owner who by his negligent or willful act causes a Party Wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 7.05 - Right to Contribution Runs With Land. The right of any Townhouse Owner to contribution from any other Townhouse Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

ARTICLE VIII

Use Restrictions

Section 8.01 - Single-Family Residences. None of the Townhouse Lots or the Townhouse units thereon shall be used for anything other than single-family, private residential purposes, and all Townhouse Lots shall be exclusively townhouse residential lots. No Townhouse shall exceed three (3) stories in height consisting of two floors of living areas over a private garage (or other covered car parking facility) for no more than four (4) automobiles. The living area of the main structure (exclusive of porches, patios, deck, car parking facilities, terraces or driveways) shall contain at least 1000 square feet on one or both stories thereof. Also each Townhouse unit must contain an open deck area of at least 235 square feet. No commercial activity shall be permitted on any Townhouse Lot, nor shall any commercial activity be engaged in from any such Townhouse Lot. All buildings or structures erected on any Townhouse Lot shall be of new construction and no buildings or other structures shall be moved from other locations onto any such Townhouse Lot. No buildings or struc-

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tures other than single family Townhouses joined together by a common exterior roof and foundation shall be constructed on any Townhouse Lot. No structures of a temporary character, mobile home, boat, camper, trailer, tent, shack, garage, barn or other outbuildings shall ever be used on any portion of a Townhouse Lot at any time as a residence, either temporarily or permanently.

Section 8.02 - Resubdivision. Except as provided in Section 9.02 hereof, no Townhouse Lot may be resubdivided or in any way divided or converted into more than one single dwelling unit.

Section 8.03 - Improper Activity. No immoral, improper, unlawful, noxious or offensive activity shall be carried on or maintained on any Townhouse Lot or upon the Common Area, nor shall anything be done or permitted to be done thereon which may be or become an annoyance or a nuisance to the residents of the Property.

Section 8.04 - Use of Common Area. The Common Area (other than the utility areas which will be regulated as to use by the Corporation) shall not be used for storage of supplies, personal property or trash or refuse of any kind, except common trash receptacles placed at the discretion of the Corporation. Regulations concerning the use of the Common Area shall be promulgated by the Board of Directors of the Corporation and such regulations shall be binding on all Members of the Corporation unless duly amended by the Board of Directors or by a majority of the Members after they have acquired voting rights in accordance with Section 2.02 hereof.

Section 8.05 - Screening. All clothes lines, equipment, garbage cans, service yards, wood piles or storage piles shall be confined to the Patio Areas, and shall be kept screened by adequate planting so as to conceal them from view of neighboring Townhouses and streets. All rubbish, trash or garbage shall be regularly removed from the premises and shall not be allowed to accumulate thereon.

Section 8.06 - Parking. Driveways and parking spaces in the Common Area shall be used solely for the parking of passenger cars only by residents of the Property and their guests or invitees, and any such passenger car must be in operating condition. The parking or standing of any type of motor vehicle or trailer in any part of the Property, other than in a garage, carport, driveway, or the designated parking spaces, is expressly prohibited. This provision shall not be construed to prohibit the temporary parking of motor vehicles necessary to the servicing or repair of the Townhouse units in the Property.

Section 8.07 - Animals. No animals, livestock or poultry of any kind shall be raised, bred or kept on any of said Townhouse Lots, except that dogs, cats or other domestic household pets may be kept, provided that they are not kept, bred or maintained for any commercial purpose. No pets may run at large in the Property and any pets that, in the opinion of Developer, constitute a nuisance or health hazard to the residents shall be promptly removed.

Section 8.08 - Signs and Other Advertising. No sign, advertisement, billboard or advertising structures of any kind shall be erected, placed or permitted to remain on any Town-

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house Lot, without written consent of Architectural Control Committee. Agents of the Architectural Control Committee shall have the right to remove any such sign, advertisement or billboard or structure which is placed on any Townhouse Lot without such consent, and, in so doing, shall not be liable and is expressly relieved from any liability for trespass or other tort in connection therewith, or arising from such removal.

Section 8.09 - Additional Restrictions. No structure shall be used or occupied until the exterior thereof, as approved pursuant to Article V above, is finished and water and sanitary sewerage disposal facilities are completely installed and operable. No outside toilets or septic tanks will be permitted on any Townhouse Lot. The use or discharge of firearms is expressly prohibited within the Property. No Townhouse Lot shall be used as a dumping ground for garbage, trash, or rubbish. Any and all trash, garbage, and other waste shall be kept in sanitary containers. Any incinerator or other equipment for the storage or disposal of such waste material must be kept in a clean, sanitary and sightly condition at all times. No building material of any kind shall be placed or stored upon any Townhouse Lot except during construction; and then such material shall be placed within the property lines of the Townhouse Lot on which the improvements are to be erected. If open carports are used, no storage shall be permitted therein that is visible from the street or from any other Townhouse Lot. No boats, campers, mobile homes, trailers, trucks or other vehicles of any kind shall be stored (or kept for the purpose of repair)

on any Townhouse Lot. No Townhouse Lot or any part of the Common Area shall ever be used for drilling, mining, producing or otherwise developing the oil, gas or other minerals in and under any portion of such lands.

Section 8.10 - Underground Utilities. No pipe, conduit, cable, line or the like for water, gas, sewage, drainage, steam, electricity or any other energy or service shall be installed and maintained in the Property (outside of any building) above the surface of the ground except for hoses and movable pipes used for irrigation or other purposes as specifically approved in writing by the Architectural Control Committee. All auxiliary machines or equipment or facilities used in the Property in connection with any such energies or services shall be located only in such manner and upon such conditions as may be specifically approved by said Architectural Control Committee.

Section 8.11 - Limitation During Construction and Sales. Notwithstanding anything contained herein to the contrary, the foregoing Covenants and Restrictions concerning commercial activities, construction and maintenance of buildings, if any, shall not apply to such activities by the Developer, its agents or assigns, or other designated entities, during the construction and sales period; nor shall such Covenants and Restrictions apply to the Corporation, its successors and assigns, in furtherance of its powers and purposes as herein set forth.

Section 8.12 - Location of Improvements. No building or other improvements shall be erected on any Townhouse Lot in violation of any front, rear or side set-back lines shown on the Plat.

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ARTICLE IX

General Provisions

Section 9.01 - Annexation of Additional Lands. At any time prior to the termination of the Covenants and Restrictions set forth herein, Developer, in its sole discretion, may annex and add to the land covered by this Declaration additional Townhouse Lots in Pirates Landing -1 and lands in other sections of Pirates Landing Subdivision, as such sections are platted and filed for record in the Office of the County Clerk of Galveston County, Texas. Such action shall not require the consent or joinder of the existing Members of the Townhouse Corporation or of the Townhouse Owners and shall be effected by Developer executing and filing for record in Galveston County, Texas, a written declaration that such additional Townhouse Lots in Pirates Landing - 1 or the lands included within the sections shown on any such recorded plat, so identified therein, are thereby covered by and made subject to all of the terms and provisions of this instrument. Upon the execution and filing of such declaration the additional Townhouse Lots or the land covered by such recorded plat shall comprise a part of the Property covered hereby to the full extent as if such land had been listed, described and designated in Exhibit "A" hereto (except that its liability for assessment shall not accrue until the date such declaration is filed for record, as aforesaid) and the subsequent owners of the Townhouse Lots included in such additional land shall thereafter be bound by the terms and provisions hereof and entitled to all of the rights, privileges and benefits of the Townhouse Owners.

Section 9.02 - Replatting of Unsold Building Loca-

tions. Provided no Lot in a specific building location as shown on the Plat has been sold by Developer, there is hereby reserved to Developer the right, in its sole discretion, to replat such building location to change the size, location or dimensions of the Townhouse Lots therein. Any such change may alter the Common Area adjoining the building location being changed, provided that such replatting shall not affect or alter the land upon which any building constituting a part of the Common Area is located, and provided that the total acreage contained in the Common Area may not be reduced by more than ten percent (10%). Any such replat provided for in this Section shall not require the consent or joinder of the existing Members of the Corporation.

Section 9.03 - Water Service. Water meters will be installed on each Lot following the approval of plans and specifications for such Lot by the Architectural Control Committee and all water charges thereafter accruing will be metered and billed to the Townhouse Owner.

Section 9.04 - Electrical Utility Service. A semi-underground electric distribution system will be installed in that part of Pirates Landing - 1, designated Semi-Underground Residential Subdivision, which semi-underground service area shall embrace all lots in Pirates Landing - 1. The owner of each Townhouse Lot in the Semi-Underground Residential Subdivision shall, at his 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 the electric company's metering on the customer's structure to

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the point of attachment at such company's 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. In addition, the owner of each Townhouse Lot shall, at his own cost, furnish, install, own and maintain a meter loop (in accordance with the current standards and specifications of the electric company furnishing service) for the location and installation of the meter of such owner's lot. For so long as semi-underground service is maintained, the electric service to each lot in the Semi-Underground Residential Subdivision shall be uniform in character and exclusively of the type known as single phase, 120/240 volt, three wire, 60 cycle, alternating current.

Section 9.05 - Right to Use Other Facilities. The Townhouse Owners and their respective families and guests shall have the right to use the combined recreational facilities of the Pirates Beach and Pirates Cove subdivisions situated in Galveston County, Texas.

Section 9.06 - Rules and Regulations. Developer retains the right and power to promulgate and impose rules and regulations, and to vary and amend same from time to time as may be necessary, relating to the use and occupancy of the Townhouse Lots, the Townhouses constructed thereon, the Common Area and all related facilities now or hereafter constructed thereon, so as to provide for the safe and orderly use of such properties and facilities.

Section 9.07 - Disclaimer of Developer's Responsibilities. It is expressly agreed and understood that Developer shall assume no obligation, responsibility or liability for the enforcement of any of the restrictions or other terms of this instrument or for the collection of the annual assessments provided for herein.

Section 9.08 - Duration. The Covenants and Restrictions set forth in this Declaration shall be deemed to run with all or any portion of the Property, and shall be a burden and a benefit to Developer, its successors and assigns, and any persons acquiring or owning any interest in the Property, their grantees, successors, heirs, executors, administrators and assigns; and shall run with the land and shall be binding on all parties and persons claiming under them until December 31, 2000, after which time these Covenants and Restrictions shall be automatically extended for successive periods of ten (10) years each unless, prior to the expiration of any such ten-year period, an instrument signed by the then Owners of seventy-five percent (75%) of the Townhouse Lots, agreeing to change these restrictions in whole or in part, has been filed for record in Galveston County, Texas.

Section 9.09 - Amendments. Any or all of the Covenants, Restrictions or other terms and provisions set forth in this Declaration may be repealed, amended or modified either as to all or any part of the Property at any time and from time to time by the action and approval of the Townhouse Owners who at such time own 75% of the Townhouse Lots then subject to and covered by this Declaration. The owner of each Townhouse Lot, including Developer, shall be entitled to one vote for each Townhouse Lot owned by it. Such repeal, amendment or modifi-

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cation shall be effected by an instrument in writing executed by the persons or entities, including Developer, who own seventy-five percent of the Townhouse Lots then subject to and covered by this Declaration, and filed for record in the Office of the County Clerk of Galveston County, Texas. Provided, however, that no amendment shall be made which shall in any manner impair the security of any institutional lender having a mortgage or other lien against any Townhouse Lot or the Common Area, or any other record owners of liens thereon, nor shall any amendment in any manner impair the management agreement, if any, then in effect.

Section 9.10 - Waiver of Liability. Neither the Developer nor the Corporation shall be held liable for any personal injury or damage to property resulting from acts or omissions by the Developer or the Corporation or their respective agents or employees in connection with the carrying out of any of their rights, duties or obligations under the terms of this instrument or in otherwise developing the Property.

Section 9.11 - Enforcement. The Corporation, and any Townhouse Owner, shall have the right to enforce all of the Covenants and Restrictions imposed by the provisions of this Declaration, as the same may be amended from time to time, including specifically but not limited to the terms and provisions of Article V hereof, 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 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 terms and provisions hereof. The Corporation is hereby expressly authorized to use its funds for the purpose of assisting in the enforcement of the terms and provisions hereof. Failure by the Corporation or by any Townhouse Owner to enforce any Covenant or Restriction herein contained, or acquiescence in any violation shall not be deemed a waiver of the right to enforce against the violator or others the conditions so violated or any other conditions. In addition, the Corporation shall have the right to enter the Property of the violator and correct the violation, or to require the same be corrected.

Section 9.12 - Severability. Invalidation of any of these Covenants or Restrictions by judgment, court order or otherwise, shall in nowise affect the validity of any other provisions, which shall remain in full force and effect.

Section 9.13 - Headings. All section and paragraph headings used herein are for convenience only and shall have no efficacy in construing any of the provisions hereof.

Section 9.14. Pirates Landing, Inc., the owner of a portion of the Townhouse Lots described and designated on Exhibit "A" hereto, joins in the execution hereof for the purpose of adopting, ratifying and confirming all of the terms and provisions of this Declaration and to impose all of such terms and provisions on each and all of the Townhouse Lots in Pirates Landing, Inc., owned by it to the full extent and in the same manner as if all of the Townhouse Lots described

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and designated in Exhibit "A" hereto were owned by Developer on the date of execution and recording of this Declaration.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by their duly authorized officers on the day and year first hereinabove written.

ATTEST:

[Signature]
Assistant Secretary

MITCHELL DEVELOPMENT CORPORATION OF THE SOUTHWEST

By: [Signature]
Vice President

"DEVELOPER"

ATTEST:

[Signature]
ASST. Secretary

PIRATES-LANDING INC. Development Corporation

By: [Signature]
Vice - President

PRINGLE ASSOCIATED MORTGAGE CO.

By: _____

THE STATE OF TEXAS)
COUNTY OF HARRIS)
Montgomery

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Lawrence S. Kach, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said MITCHELL DEVELOPMENT CORPORATION OF THE SOUTHWEST, a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 18th day of April, 1975.

Karin Pittman
Notary Public in and for
Harris County, Texas.
Montgomery

THE STATE OF TEXAS)
COUNTY OF HARRIS)

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared John L. Fort, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said PIRATES LANDING, INC., a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 19th day of April, 1975.

Eugene L. Guy
Notary Public in and for
Harris County, Texas.
EUGENE L. GUY, Notary Public
Dallas County, Texas
My Commission Expires June 1, 1976

THE STATE OF TEXAS)
COUNTY OF HARRIS)

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared _____, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said PRINGLE ASSOCIATED MORTGAGE CO., a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the _____ day of _____, 197____.

Notary Public in and for
Harris County, Texas.

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Exhibit A

Pirates Landing Townhomes

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22,
23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42,
43, 44, 45, 46, 47, 48

Pirates Landing, Section 1 recorded in Volume 15, page 9, of the
map records of Galveston County, Texas.

TRUST TO TRUST
EIN - 1111

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Stewart Ave
PH 501

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 volume and page of the named records of Galveston County, Texas as stamped hereon by me.
MAY 21 1975
J. L. Humphrey, Jr.
COUNTY CLERK, Galveston County, Texas



~~43292~~

~~FILED FOR RECORD
MAY 21 10 02 AM 1975
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 volume and page of the named records of Galveston County, Texas as stamped hereon by me.
MAY 27 1975
J. L. Humphrey, Jr.
COUNTY CLERK, Galveston County, Texas



FILED FOR RECORD
MAY 27 3 25 PM 1975
43691
COUNTY CLERK, GALVESTON COUNTY, TEXAS

Est.
RBA

~~43291~~

ORIGINAL

5-16-75

43692

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SUPPLEMENTAL DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
PIRATES LANDING, SECTION 1

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THE STATE OF TEXAS I
COUNTY OF GALVESTON I

THIS SUPPLEMENTAL DECLARATION, made and executed on this
the 16 day of May, 1975, by MITCHELL DEVELOPMENT
CORPORATION OF THE SOUTHWEST, hereinafter referred to as "Developer",
a Texas corporation, domiciled in Houston, Harris County, Texas;

W I T N E S S E T H:

WHEREAS, Developer is the owner of certain portions of
the property known as Pirates Landing, Section 1, according to the
map or plat thereof recorded in Volume 15, Page 9 of the Map
Records of Galveston County, Texas, to which reference is here made
for complete description of the land comprising Pirates Landing,
Section 1, and each of the lots into which such land is subdivided,
the land covered by and included within each map or plat being
hereinafter sometimes referred to as "Pirates Landing - 1"; and,

WHEREAS, Developer filed that certain Declaration of
Covenants, Conditions and Restrictions, recorded under County
Clerk's File No. 43290, in the Official Public Records of
Real Property of Galveston County, Texas, covering Pirates Landing -
1, said Declaration being hereinafter referred to as "the Declara-
tion"; and

WHEREAS, it is the desire of the Developer to amend said
Declaration;

NOW, THEREFORE, Developer, being the owner of Pirates
Landing - 1, does hereby amend said Declaration as follows:

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I.

Article IV is amended by the addition of Section 4.09, which shall read follows:

Section 4.09 - Insurance. The Corporation, as defined in Section 1.01 of the Declaration, or its duly authorized officers, shall have the authority to and shall obtain insurance for all the buildings within Pirates Landing - 1, including, but not limited to, any and all Townhouses unless the Townhouse Owners, or any one thereof, have supplied proof of adequate coverage to the Corporation's complete satisfaction, against loss or damage by fire or other hazards in an amount sufficient to cover the full replacement cost or any repair or reconstruction work in the event of damage or destruction from any hazard, and the Corporation shall also obtain a broad form public liability policy covering the Common Area, and all damage or injury caused by the negligence of the Corporation and its agents. Premiums for all insurance except on the individual Townhouses shall be paid by the Corporation. All insurance coverage, including insurance on individual Townhouses obtained by the Corporation, shall be written in the name of the Corporation as Trustee for each of the Townhouse Owners. Insurance on individual Townhouses obtained by Townhouse Owners may be written in the name of the individual Owners. Premiums for insurance obtained by the Corporation on individual Townhouses shall not be part of the common expense but shall be an expense of the specific Townhouse or Townhouses so covered and a debt owed by the Townhouse Owner to the Corporation. The debt for insurance shall be a charge upon the land and a lien to secure its payment is hereby created. The debt shall become a personal obligation of the Townhouse Owner and if not paid within thirty (30) days shall bear the same interest and be foreclosed in the same manner as the liens for maintenance assessments as set forth

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in Section 4.07 of the Declaration, such lien shall be subordinate to the lien of any purchase money and/or improvement mortgage. In addition to the aforesaid insurance required to be carried by the Townhouse Owners and/or the Corporation, any Townhouse Owner may, if he wishes, at his own expense, insure his own Townhouse for his own benefit and carry any and all other insurance he deems advisable. It shall be the individual responsibility of each Townhouse Owner at his own expense to provide, as he sees fit, homeowners' liability insurance, theft and other insurance covering personal property damage and loss. In the event of damage or destruction by fire or other casualty to any property covered by insurance written in the name of the Corporation, the Corporation shall, with concurrence of the mortgagee thereof, if any, upon receipt of the insurance proceeds, contract to rebuild or repair such damages or destroyed portions of the property. All insurance proceeds shall be deposited in a bank or other financial institution, the accounts of which bank or institution are insured by a federal governmental agency, with the proviso that the funds may be withdrawn only by signature of at least one-third (1/3) of the members of the Board of Directors of the Corporation, or by an agent duly authorized by the Board of Directors of the Corporation. The Corporation shall advertise for sealed bids with any licensed contractors, and then may negotiate with any contractor, who shall be required to provide full performance and payment bonds, for the repair, reconstruction or rebuilding of such destroyed property. In the event the insurance proceeds are insufficient to pay all the costs of repairing and/or rebuilding to the same condition as formerly, the Corporation shall levy a special assessment against all owners of the damaged Townhouses in such proportions as the Corporation shall deem fair and equitable in the light of the damage sustained by such Townhouses to make up any

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deficiency, except that the special assessment shall be levied against all Townhouse Owners, to make up any deficiency for repair or rebuilding of the Common Area not a physical part of a Townhouse. In the event that the insurance proceeds exceed the cost of repair and reconstruction, the excess shall be paid over the respective mortgagees and owners of the damaged Townhouses as their interest may then appear. In the event of damage or destruction by fire or other casualty to any Townhouse, garage, storage area or other property covered by insurance written in the name of an individual Townhouse Owner, said Townhouse Owner, shall, with concurrence of the mortgagee, if any, upon receipt of the insurance proceeds, contract to repair or rebuild such damaged or destroyed portions of the garage, storage area and exterior of the Townhouse in a good and workmanlike manner in conformance with the original plans and specifications of said Townhouse. In the event such owner refuses or fails to so repair and rebuild any and all such damage to the exterior of the Townhouse, garage and storage area within thirty (30) days, the Corporation, by and through its Board of Directors, is hereby irrevocably authorized by the Townhouse Owner to repair and rebuild any such Townhouse and garage and storage area in a good and workmanlike manner in conformance with the original plans and specifications thereof. The Townhouse Owner shall then repay the Corporation in the amount actually expended for such repairs, and the Corporation shall have a lien securing the payment of same identical to that provided above in this Section securing the payment of insurance premiums, and, further, subject to foreclosure as above provided.

II.

Article IX is amended by the addition of Section 9.15, which shall read as follows:

DEED OF TRUST

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Section 9.15. Notwithstanding any provision herein to the contrary, unless at least seventy-five per cent (75%) of the first mortgagees holding a lien imposed upon any Townhouse Lot to secure debt incurred for the purchase price thereof, or for improvements thereto, have given their prior written approval, the Corporation shall not be entitled to (1) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer real estate or improvements thereon, which are owned, directly or indirectly, by such Corporation, provided, that, the granting of easements for public utilities or for other public purposes which are consistent with the intended use of such property by the Corporation shall not be deemed a transfer within the meaning of this provision; (2) change the method of determining the obligations, assessments, dues or other charges which may be levied against a Townhouse Owner; (3) by act or omission change, waiver or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of the Townhouses, the exterior maintenance of party walls or common fences or driveways, or the upkeep of lawns and plantings in Pirates Landing - 1; (4) fail to maintain fire and extended coverage on insurable common property upon a current replacement cost basis in an amount not less than One hundred per cent (100%) of the insurable value, based on current replacement cost; or (5) use hazard insurance proceeds for losses to any common property for other than the repair, replacement or reconstruction of such improvements.

III.

Article IX is amended by the addition of Section 9.16, which shall read as follows:

Section 9.16. Any mortgagee holding a first lien imposed upon any Townhouse Lot to secure debt incurred for the

purchase thereof or for improvements thereto, shall be entitled to written notification of any default by the mortgagor of such Townhouse Lot and the performance of mortgagor's obligations under the Declaration and further, such mortgagee shall be entitled to an opportunity to cure or correct such default within thirty (30) days after receipt of such notification, as above provided. Further, any mortgagee holding a first lien upon any Townhouse Lot to secure debt incurred for the purchase thereof or for an improvement thereto, shall have a right to examine the books and records of the Corporation, during the regular and normal business hours of said entity.

Except as amended hereby, said Declaration is hereby confirmed and ratified by the undersigned and remains in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by their duly authorized officers on the day and year first hereinabove written.

ATTEST:

Don Austin
Secretary

MITCHELL DEVELOPMENT CORPORATION
OF THE SOUTHWEST

Edward W. Carter
President

ATTEST:

Secretary

PIRATES LANDING DEVELOPMENT
CORPORATION

[Signature]
President

ATTEST:

Rennett Eilers
Asst. Secretary

PRINGLE ASSOCIATED MORTGAGE CO.

[Signature]
J. V. Pres. President



DEED OF TRUST

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CONDOMINIUM RECORD
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THE STATE OF TEXAS
MONTGOMERY
COUNTY OF ~~HARRIS~~

BEFORE ME, the undersigned authority, on this day personally appeared LELAND W. CARTER, President of MITCHELL DEVELOPMENT CORPORATION OF THE SOUTHWEST, 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 the 16th day of May, 1975.

Kaye Pittman
Notary Public in and for
~~Harris~~ County, T E X A S
Montgomery

THE STATE OF TEXAS
MONTGOMERY
COUNTY OF ~~HARRIS~~

BEFORE ME, the undersigned authority, on this day personally appeared JOE KOWNSLAR, President of PIRATES LANDING DEVELOPMENT 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 the 16th day of May, 1975.

Kaye Pittman
Notary Public in and for
~~Harris~~ County, T E X A S
Montgomery

Pennsylvania
THE STATE OF ~~TEXAS~~
COUNTY OF Montgomery
~~HARRIS~~

BEFORE ME, the undersigned authority, on this day personally appeared STANTON W. FELT II SR. VICE President of PRINGLE ASSOCIATED MORTGAGE CO., 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 the 19th day of May, 1975.

Cynthia Wampler
Notary Public in and for
Harris County, T E X A S
Columbia, Missouri
Notary Public Expires July 3, 1978

DEED OF TRUST

CONDOMINIUM RECORD

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DEED OF TRUST
BOOK: 2564 PAGE 672

STATE OF TEXAS
I hereby certify that this instrument was filed on the
date and time stamped hereon by me and was duly recorded
in the volume and page of the named records of Galveston
County, Texas as stamped hereon by me.



MAY 27 1975

J. L. Humphrey, Jr.
COUNTY CLERK, Galveston County, Texas

J. L. Humphrey, Jr.
COUNTY CLERK, Galveston County, Texas



MAY 27 1975

STATE OF TEXAS
I hereby certify that this instrument was filed on the
date and time stamped hereon by me and was duly recorded
in the volume and page of the named records of Galveston
County, Texas as stamped hereon by me.

~~43291~~

Stewart's Ave
1850

Rt. 1
PB C

~~FILED FOR RECORD
MAY 27 11 07 AM 1975
COUNTY CLERK GALVESTON COUNTY TEXAS~~

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COUNTY CLERK GALVESTON COUNTY TEXAS

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BY-LAWS

PIRATES LANDING TOWNHOUSE ASSOCIATION

ARTICLE ONE – OFFICES

Section 1.01. Principle Office. The principal office of the Association in the State of Texas shall be located in Galveston County. The Association may have such other offices, either within or without the State of Texas, as the Board of Directors may determine, or as the affairs of the Association may require from time to time.

Section 1.02. Registered Office and Registered Agent. The Association shall have and continuously maintain in the State of Texas a registered office and a registered agent whose office is identical with such registered office, as required by the Texas Non-Profit Corporation Act. The registered office may be, but need not be, identical with the principal office of the Association in the State of Texas, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE TWO – MEMBERSHIP

Section 2.01. Members. Every person or entity who is the record owner or owners or contract purchaser or purchasers of a Townhouse Lot in the Pirates Landing Townhouse development in Galveston County, Texas, is a Member of the Association.

Section 2.02. Voting Rights. Each Townhouse Lot in the Pirates Landing Townhouse development in Galveston County, Texas, represents, and is entitled to, one vote on all matters to be voted on by the Members. Each such vote shall be cast by the Member or Members who are the record owner or owners, or contract purchaser or purchasers, of a Townhouse Lot. When a Townhouse Lot is represented by more than one Member, the vote shall be cast by the Member or Members having a majority of the ownership interest in the Townhouse Lot. If the Member or Members having such a majority interest in a Townhouse Lot are not able to agree on any vote, then that vote shall be forfeited by the Member or Members involved, as fractional votes are expressly prohibited.

Section 2.03. Conveyance of Property. Termination of membership results only upon the conveyance of record ownership of a Townhouse Lot by a Member. Upon such conveyance, the membership status of the conveying Member shall cease and terminate.

Section 2.04. Resignation. A Member may resign by filing a written resignation with the Secretary of the Association. Such resignation shall not relieve the Member of the obligation to pay any past, present, or future dues, assessments or other charges associated with ownership of a Townhouse Lot. Resignation shall not in any way prejudice the membership status of a subsequent purchaser of a Townhouse Lot from a Member who resigns.

Section 2.05. Reinstatement. Upon written request signed by a former Member and filed with the Secretary, the Board of Directors may, by the affirmative vote of 50% plus 1 of the Board, reinstate such former Member on such terms as the Board of Directors may deem appropriate.

Section 2.06. Transfer of Membership. Membership in the Association is neither transferable nor assignable, other than by the conveyance of a Townhouse Lot.

ARTICLE THREE – MEETINGS OF MEMBERS

Section 3.01. Annual Meeting. An Annual Meeting of the Members shall be held on the Saturday nearest the middle of November in each year, at a time and place to be notified by the Board of Directors, for the purpose of electing Directors and for the transaction of other business as may come before the meeting. If the election of Directors shall not be held on the day designated herein for the Annual Meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the Members as soon thereafter as possible.

Section 3.02. Special Meetings. Special meetings of the Members may be called at any time for any purpose by the Board of Directors, by the President of the Association, or by Members representing at least ten percent (10%) of the total number of votes entitled to be cast by Members at the meeting. If all of the Members shall meet at any time and place, either within or without the State of Texas, and consent to the holding of a special meeting, such meeting shall be valid without call or notice, and at such meeting, any action may be taken.

Section 3.03. Place of Meeting. Both Annual and Special Meetings shall be held at the Galveston Country Club or at any other Galveston County location designated by the Board of Directors.

Section 3.04. Notice of Meeting. Written notice stating the place, day, and hour of a meeting of Members shall be delivered to each Member not less than thirty (30) nor more than sixty (60) days before the date of such meeting, by or at the direction of the Secretary of the Association, or the persons calling the meeting. In case of a special meeting, or when required by law or these By-

Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. If mailed, the notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at his address as it appears on the records of the Association, with postage prepaid.

Section 3.05. Action Without a Meeting. Any action required to be taken at a meeting of the Members, or any action which may be taken at a meeting of the Members, may be taken without a meeting, if a consent in writing, setting forth the action so taken, shall be signed by all of the Members representing all the votes entitled to be cast on the subject matter thereof.

Section 3.06. Quorum. Members who are entitled to cast a vote at a meeting and who, for any reason, cannot be present at such meeting may designate, in writing, any other Member to act as their proxy. A quorum will be constituted through: the actual presence of Members representing at least 25 percent of the votes entitled to be cast at any meeting; or a combination of Members being physically present and written proxies designating another Member to vote on behalf of a Member who cannot be present, totaling 25 percent of the membership entitled to cast votes at any meeting.

ARTICLE FOUR – BOARD OF DIRECTORS

Section 4.01. General Powers. The affairs of the Association shall be managed by its Board of Directors.

Section 4.02. Number, Tenure, and Qualifications. The number of Directors shall be seven (7). For the first Board election, three (3) of the Directors shall be elected and serve three (3) year terms; two (2) shall be elected and serve two (2) year terms, and two (2) shall be elected and serve one (1) year terms. After the respective terms of the initial seven (7) Directors, each Director shall hold office until the next Annual Meeting of Members three years after the Director's election or until a successor is duly elected and qualified. A Director shall be a Member of the Association. There shall be no other qualifications for Directors.

Section 4.03. Regular Meetings. An Annual Meeting of the Board of Directors shall be held without other notice than this by-law, immediately after, and at the same place as, the Annual Meeting of Members. The Board of Directors shall, in addition, meet once in each of the other three quarters of the year at the Galveston Country Club or other Galveston County location. The Board of Directors may designate the time and place for the holding of additional regular meetings without other notice than such designation.

Section 4.04. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two (2) Directors. The person or persons authorized to call special meetings of the Board of Directors may fix any time and place, either within or without the State of Texas, for holding any such special meetings called by them.

Section 4.05. Notice of Meeting. Written notice stating the place, day, and hour of a special meeting of the Board of Directors shall be delivered to each Director at least seven (7) days before the date of the meeting. If mailed, the notice shall be deemed to be delivered when deposited in the United States mail with postage prepaid. If notice is given by telegram, the notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these By-Laws.

Section 4.06. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting. If less than a majority of the Directors are present at a meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

Section 4.07. Manner of Acting. The act of a majority of the Directors present at a meeting at which a quorum is present shall be an act of the Board of Directors, unless the act of a greater number is required by law or by these By-Laws.

Section 4.08. Vacancies. Any vacancy occurring in the Board of Directors for any reason may be filled an act of the Board of Directors or by a special election by the Members in the manner set forth in Section 3.01 of these By-Laws. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

Section 4.09. Compensation. Directors, as such, shall not receive any stated salaries for their services, but, by an act of the Board of Directors, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting. Nothing contained in this Section shall preclude any Director from serving the Association in any other capacity and receiving compensation therefor.

Section 4.10. Action by Without a Meeting. Any action required by law to be taken at a meeting of Directors, or any action which may be taken at a

meeting of Directors, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors.

ARTICLE FIVE – OFFICERS

Section 5.01. Officers Enumerated. The officers of the Association shall be the President, one vice president, the Secretary, the Treasurer, and such other officers as may be determined in accordance with the provisions of this Article. The Board of Directors may appoint such other officers, including, but not limited to, additional vice presidents, one or more assistant secretaries and one or more assistant treasurers. Such officers shall have the authority and perform the duties prescribed, from time to time, by the Board of Directors. Any one person may hold only one office. An officer shall be a Member of the Association.

Section 5.02. Selection and Term of Office. The officers of the Association shall be selected annually by an act of the Board of Directors at the Annual Meeting of the Board of Directors. If the selection of officers shall not be held at such meeting, the selection shall be held as soon thereafter as possible. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his successor shall have been duly elected and qualified.

Section 5.03. Removal. Any officer may be removed by an act of the Board of Directors whenever in its judgment the best interests of the Association would be served thereby. Such removal shall be without prejudice to the contract rights, if any, of the officer so removed.

Section 5.04. Vacancies. A vacancy in any office because of death, resignation, disqualification or otherwise, may be filled by an act of the Board of Directors for the unexpired portion of the term.

Section 5.05. President. The President shall be the principal executive officer of the Association and shall in general supervise and control all of the business and affairs of the Association. The President shall preside at all meetings of Members and the Board of Directors. The President may sign, with the Secretary or any other proper officer of the Association authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors authorizes to be executed, except where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-Laws or by law to some other officer or agent of the Association. In general, the President shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 5.06. Vice President. In the absence of the President or in the event of the President's inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall perform such other duties as from time to time may be assigned by the President or Board of Directors.

Section 5.07. Treasurer. The Treasurer shall have charge and custody of, and be responsible for, all funds and securities of the Association; receive and give receipts for moneys due and payable to the Association from any source whatsoever; and deposit all such moneys in the name of the Association in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of Article Seven of these By-Laws. In general, the Treasurer shall perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to by the President or Board of Directors. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of duties in such sum and with such surety or sureties as the Board of Directors shall determine.

Section 5.08. Secretary. The Secretary shall keep the minutes of the meetings of the Members and of the Board of Directors in one or more books provided for that purpose; give all notices in accordance with the provisions of these By-Laws or as required by law; be custodian of the records and of the Seal of the Association, and affix the seal of the Association to all documents, the execution of which on behalf of the Association under its Seal is duly authorized in accordance with the provisions of these By-Laws; and keep a register of the mailing address of each Member which shall be furnished to the Secretary by each Member. In general, the Secretary shall perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to by the President or Board of Directors.

Section 5.09. Assistant Treasurers and Assistant Secretaries. The assistant treasurers and assistant secretaries, in general, shall perform such duties as shall be assigned by the Treasurer or the Secretary, or by the President or Board of Directors. If required by the Board of Directors, the assistant treasurers shall give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine.

ARTICLE SIX – COMMITTEES

Section 6.01. Committees of Directors. By act of the Board of Directors there may be created committees consisting of two (2) or more Directors. Such committees may have and exercise any power of the Board of Directors in the management of the affairs of the Association, as limited by the act of the Board of Directors creating the committee or by law or these By-Laws. The President of

the Association shall appoint the Directors to serve on such committees. No such committee shall have the authority of the Board of Directors to amend, alter, or repeal these By-Laws; to elect, appoint, or remove any member of any committee or any Director or officer of the Association; to amend the Articles of Incorporation; to adopt a plan of merger or a plan of consolidation with another corporation; to authorize the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of the Association; to authorize the voluntary dissolution of the Association or revoke proceedings therefor; to adopt a plan for the distribution of the assets of ~~(sic)~~ the Association; to alter, to amend, or repeal any act of the Board of Directors which by its terms provides that it shall not be amended, altered, or repealed by such committee. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed on it or a Director by law.

Section 6.02. Committees of Members. By act of the Board of Directors, there may be created committees consisting of three (3) or more Members of the Association. Such committees shall not have or exercise any power of the Board of Directors, but shall advise and consult with the Board of Directors on matters specified by the act of the Board of Directors creating the committee. The President shall appoint the Members to serve on such committees.

Section 6.03. Miscellaneous Provisions. Matters such as, but not limited to, the term of office of committee members, designation of chairman, filling of vacancies, a quorum for acting, and rules governing committee action shall be included in the act of the Board of Directors creating the committee.

ARTICLE SEVEN – CONTRACTS, CHECKS, DEPOSITS, AND FUNDS

Section 7.01. Contracts. The Board of Directors may authorize any officer or officers, agent or agents of the Association, in addition to the officers so authorized by these By-Laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association. Such authority may be general or confined to specific instances.

Section 7.02. Checks and Drafts. All checks, drafts, or other orders for the payment of money, notes, or other evidences or indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall, from time to time, be determined by the Board of Directors. In the absence of such determination, such instruments shall be signed by the Treasurer or an Assistant Treasurer and countersigned by the President or a vice president of the Association.

Section 7.03. Deposits. All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies, or other depositories as the Board of Directors may select.

Section 7.04. Gifts. The Board of Directors may accept on behalf of the Association any contribution, gift, bequest, or devise for the general purposes, or for any special purpose, of the Association.

ARTICLE EIGHT – BOOKS AND RECORDS

Section 8.01. The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Members, Board of Directors and committees having any of the authority of the Board of Directors, and shall keep at the registered or principal office a record giving the names and addresses of the Members. All books and records of the Association may be inspected by any Member or his agent or attorney for any proper purpose at any reasonable time.

ARTICLE NINE – FISCAL YEAR

Section 9.01. Corporate Fiscal Year. The fiscal year of the Association, for all purposes except the levying and collecting of assessments, shall begin on the first day of January and end on the last day of December of each year.

Section 9.02. Assessments Fiscal Year. The fiscal year of the Association for the purpose of levying and collecting assessments shall begin on the first day of July and end on the last day of June of the following year.

ARTICLE TEN – DUES AND ASSESSMENTS

Section 10.1. Dues. There shall be no dues, fees, or other charges, as such, for membership in the Association.

Section 10.2. Assessments. The only charge made on Members shall be the assessments made and levied against the Townhouse Lots in accordance with the Declaration of Covenants, Conditions and Restrictions for Pirates Landing, Section 1, filed in Volume 2112 at Page 251 of the Condominium Record of Galveston County, Texas, as such Declaration may be amended or otherwise changed from time to time.

ARTICLE ELEVEN – WAIVER OF NOTICE

Section 11.01. Whenever any notice is required to be given under the provisions of the Texas Non-Profit Corporation Act or under the provisions of the Articles of Incorporation or the By-Laws of the Association, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE TWELVE – AMENDMENTS TO BY-LAWS

Section 12.01. These By-Laws may be altered, amended, or repealed and new by-laws may be adopted by an act of the Board of Directors at any regular meeting or at any special meeting, if at least seven days written notice is given of an intention to alter, amend, or repeal these By-Laws or to adopt new by-laws at such meeting.

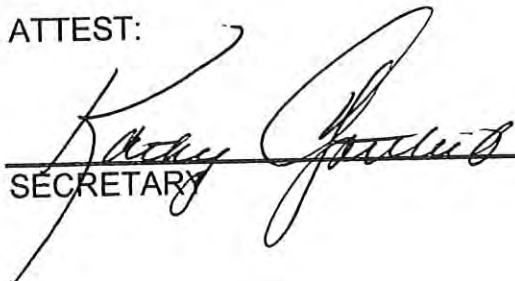
ARTICLE THIRTEEN – ASSOCIATION INSURANCE

Section 13.01. The Board of Directors shall enter into a contract for the Association for building insurance. The insurance shall cover special perils, general liability, windstorm, hurricane, hail and rising water.

Section 13.02. The Board shall assess each Member their pro rata share of the premium.

Section 13.03. All Interior Walls of each unit are the responsibility of the Association. Interior Walls include the wood stud walls, the sheetrock, covering, tape, float and texture, and paint finish (no vinyl wall covering) ("Interior Walls"). Association procured insurance also covers: kitchen and bathroom cabinets, including counter tops; range; dishwasher; garbage disposal; vent-a-hood; and an allowance of \$18.00 per square yard for floor covering. Anything built below the flood elevation (storerooms, etc.) is not covered in the flood or windstorm policies.

ATTEST:


SECRETARY

DATE

12.04.04

**Rules and Regulations
For
Pirates Landing Townhome Association**

INTRODUCTION/PURPOSE

The enclosed Rules and Regulations have been established by the Pirates' Landing Townhomes Association, Inc. (PLTA) Board of Directors (Board). They are intended to complement the Declaration of Covenants, Conditions and Restrictions to protect the interests of our townhome association, maintain our property values, and provide basic guidelines for the respect of the rights, comforts, safety and convenience of other owners and residents at PLTA. In some cases, an owner (or group of owners) may find a specific rule they do not agree with. In such instances, it is important to remember that these rules are for the benefit and protection of the majority of owners, i.e., the basis for our townhome association.

The Rules and Regulations are written in simple, ordinary language for ease of understanding. The Board has the authority to interpret or amend these rules, as they deem necessary. These rules apply to all owners and residents. If leasing a unit, the owner is responsible for ensuring compliance by their tenant(s). Owners and residents are responsible for ensuring compliance by their guests.

The Board has devoted a great deal of effort in developing this Rules and Regulations for the overall benefit of PLTA, as our responsibility is to protect the investment and enhance the value of PLTA for all owners. Your compliance is both appreciated and required. The Board urges you to familiarize yourself with, this Rules and Regulations as it will be enforced. Questions or suggestions for change may be forwarded for consideration by the process described within these rules.

I. VEHICLES

- A. All vehicle rules and regulations apply to all owners, residents, and guests.
- B. Specific rule interpretations, clarifications, or amendments will be made by the Board, as necessary.
- C. PLTA is not responsible for theft or damage to any vehicle on PLTA property. This is the vehicle owner's responsibility and it is recommended that vehicle owners verify appropriate coverage through their auto and/or homeowner's policies.
- D. The speed limit within PLTA property is 20 miles per hour.
- E. All residents are to park in their Townhouse driveway areas or in the common parking areas at the end of Jean Lafitte and Calico Jack.
- F. Major vehicle repairs are not permitted at PLTA (exceptions would be emergency repairs to get a vehicle operable, such as, flat tires or battery problems).

PIRATES' LANDING TOWNHOMES ASSOCIATION, INC.

- G. The following vehicle violations are subject to immediate towing (i.e., no, advance notification required), as they represent a potential threat to the safety and well-being of others at PLTA.
1. Any vehicle otherwise obstructing or impeding the traffic flow within PLTA is subject to immediate towing.
 2. Any vehicle deemed as a potential danger or hazard to PLTA residents, such as a vehicle leaking gasoline, is subject to immediate towing.
 3. All towing, storage, and related costs are at the vehicle owner's expense.
- H. These vehicle rules and regulations are for the overall benefit of PLTA. While a specific rule may inconvenience a certain owner or resident, our townhouse community requires joint cooperation for the majority of the owners. If you have a question about how any rule might apply to a specific instance, request the Board to bring it up at the next Board meeting.
- I. Golf carts are allowed within the association. All laws governing both Galveston city and the county will be enforced. Golf carts are under the same rules of the association as vehicles listed in item G.

II. OUTSIDE CHANGES

- A. Prior written approval of the Board is required for any and all changes made to the outside of any unit. Failure to obtain such approval may result in you being required to remove changes and/or restore to original condition, at your expense.
- B. Outside changes include, but are not limited to, additional construction to the exterior of your unit, addition or expansion of the lower deck, trellises, awnings, storage sheds, lattice work, etc. Note: Satellite dishes are to be attached to the side of a unit, not to the roof.
- C. Unit upgrades/repairs may interfere with scheduled Association maintenance and repairs. Unit owners **MUST** provide the Board upgrades/repairs time schedule as soon as the owner receives schedule. Association maintenance and repairs can then be rescheduled. Any delays or costs incurred because the Board did not receive a schedule of upgrades/repairs are the responsibility of the unit owner.

III. INSIDE CHANGES

- A. Any interior changes which may affect the structural integrity of a unit or building must be approved by the Board in writing, in advance.

IV. CHILDREN

- A. Parents or guardians are responsible for their children's conduct. Please supervise children closely.

V. LAWNS AND SHRUBS

- A. The trees and shrubbery are a vital and valuable part of PLTA, and each resident shall be liable for any damages, mutilation, or defacing thereof for which they, their children or their guests are responsible.
- B. The Board is responsible for arranging and providing all landscaping services for the common area. All work is done exclusively under the authority of the Board and all requests or complaints about landscaping must be directed to the Board.
- C. Nothing shall be stored in the common areas.

VI. PETS

- A. Owners and residents with pets must have control over their pets at all times. Residents walking pets are responsible for seeing that pet droppings are removed from decks, paved areas, and the common area.

VII. LOWER DECKS AND WINDOWS

- A. All windows shall have proper window dressing that does not detract from the general appearance of the complex. No foil, paper, or sheets shall be placed in any window or door.
- B. Owners may place upon their inside lower decks furniture and such decorative items as owner may deem desirable, provided, however, that such decorative items do not detract from the general appearance of the complex
- C. Broken windows are the responsibility of the owner and must be replaced immediately.
- D. Window fans and window air conditioners are prohibited at PLTA.

VIII. TRASH/GARBAGE

- A. All rubbish must be placed in the trash container for pickup. No trash is allowed to be placed outside of the trash container. The owner is responsible for hauling off their trash if the trash container is full.
- B. Large item/heavy trash hauling is not included in PLTA's trash/garbage service. Residents are expected to arrange and pay for such service, as needed.

- C. Trash cans must be kept under the unit until it is transferred to the trash container.

IX. MAINTENANCE

- A. The Board does not provide any on-site personal for routine maintenance, litter pick-up, or cleaning.
- B. Any requests for work, suggestions, or complaints must be made to the Board.
- C. Refer to the PLTA repair procedures in the covenants for the Maintenance/Repair procedures.
- D. Repairs will be scheduled in accordance with the maintenance schedule established by the Board. Any resident can request the board complete repairs faster. If faster repairs are possible, the association will provide the material for the repairs and the owner will pay for the labor.

X. LEASING OF UNITS

- A. Owners are responsible for the actions of their tenants. Any owner leasing a unit shall not be relieved of any obligation under PLTA's Covenants, By-Laws Declaration, or these Rules and Regulations.

XI. GUESTS/VISITORS

- A. Owners and residents are solely responsible for their guests and visitors.

XII. INSURANCE

- A. The Association is responsible for providing insurance to protect their townhome from such perils as fire, windstorm, flood, hurricanes, etc. This protection is provided for the original floor plan of all units.
- B. Owners are responsible for providing insurance to protect additions, modifications, or changes to their floor plan from such perils as fire, windstorm, flood, hurricanes, etc.
- C. Owners are responsible for providing insurance to protect personal belongings damages as a result of theft, vandalism, or negligence on the resident's part.
- D. Owners are responsible for providing insurance to protect them against any liability that might arise from someone incurring bodily injury.
- E. The above exposure can be adequately protected by the resident purchasing the appropriate insurance policy from their insurance agent.

XIII. HOW TO GET ISSUES ADDRESSED

- A. The Board is responsible for the ongoing operations of PLTA through the direction of the Board. Board members will only bring issue to the board.
- B. Requests for work, questions, problems, complaints, and suggestions may be addressed to the Board. The Board has the authority to initiate certain work, handle emergency needs, and resolve many questions or problems.
- C. All written correspondence regarding PLTA must also be routed through the Board. The Board is responsible for taking necessary actions, as needed, and then reporting such to the Board for consideration at the next Board meeting. PLTA's Board Address is:

Pirates Landing Townhouse Association
4159 Pirates Beach
Galveston, TX 77554

- D. Board meetings are held on a scheduled basis. All meetings are open to PLTA owners, but any owner wishing to discuss an issue must be on the agenda in advance. To be included on the agenda for discussion of an issue, owners must submit such to Board at least one week in advance of meeting.
- E. Visitors are welcome at all Board meetings but must notify Board of their attendance at least one week in advance to ensure adequate seating.
- F. Strict order will be maintained at meetings, as our agenda is usually lengthy and covers a broad range of issues.

XIV. RESPONSIBILITY CHECKLIST

- A. The attached responsibility checklist is provided as a quick reference guide differentiating the responsibilities of the Townhouse Owners and PLTA. This listing is not intended to be all - inclusive, and the Board may make additions or changes, as necessary. Depending on circumstances or special requirements, the Board may make exceptions to the responsible party indicated.

PLTA ASSOCIATION/HOMEOWNER RESPONSIBILITY LIST

DESCRIPTION	ASSN	OWNER	COMMENTS
I. Exterior Surfaces			
A. Wood/siding	x		
B. All Decks		x	
C. Roofs	x		
D. Windows		x	

PIRATES' LANDING TOWNHOMES ASSOCIATION, INC.

DESCRIPTION		ASSN	OWNER	COMMENTS
	1. Glass		x	
	2. Screens		x	
E. Doors			x	
	1. Front		x	
	2. Storage shed		x	
	3. Sliding Glass		x	
	4. Porticos		x	Wooden step under the door
F. Foundation		x		
G. Piers		x		
H. Gutters		x		Only on B units above door
I. Electrical - Exterior				
	1. Outlets		x	
	2. Photocells		x	
	3. Fixtures		x	
J. Railing			x	
K. Lower decks			x	
L. Air Conditioner			x	
	1. Condensing Unit		x	
M. Hot Water Heater			x	
N. Water Cutoff Valve (in Driveway)			x	
O. Stairs			x	
P. Parking				
	1. Under Unit	x		
	2. In Front of Unit	x		
	3. Common areas		x	
Q. Utilities				
	1. Water & Sewer		x	
	2. Outside Electricity		x	
	3. Inside Electricity		x	
R. Exterminating				
	1. Interior		x	
	2. Exterior	x		
	a. Termites	x		
S. Landscaping				
	1. Common Areas	x		
	2. Inside Lower deck		x	

PIRATES' LANDING TOWNHOMES ASSOCIATION, INC.

DESCRIPTION		ASSN	OWNER	COMMENTS
T. Insurance				
	1. Building	x		Windstorm, Fire, Flood on behalf of the owners.
	2. Liability		x	
	3. Content		x	
	4. Additions		x	
Additional Comments				

XV. MISCELLANEOUS

- A. Residential Use Requirement - All townhome units shall be used and occupied as private residences for single families or individuals. All present and future owners, tenants and occupants of townhome units shall comply with the provisions and terms of the Declaration, the By-Laws and other governing Rules and Regulations of PLTA.

- B. Maintaining Your Unit - Each owner, at their own expense, shall maintain their unit, lower deck and/or balcony space and storage space in good condition and in good order and repair, and shall not do or allow anything to be done in their unit not in compliance with PLTA's By-Laws, Declaration or Rules and Regulations. If an owner does not comply, the Association may undertake necessary repairs and assess the owner for all costs incurred, as well as levy fines up to \$100.00 per occurrence.

- C. Legal, Costs Recovery - Any proceeding by the Association arising out of an alleged failure of an owner, resident or guest to comply with the terms and provisions of the Declaration, By-Laws, Rules and Regulations, or the terms and provisions of such documents as they may be amended from time to time, shall entitle the Association to receive from the owner reasonable attorney's fees and court costs as may be awarded by a court.

- D. Returned Check Fees – The Association will charge \$50 for any returned check. This amount reflects fee our bank charges the association and the additional time and effort the Board must commit to collect the funds owed.

- E. Right of Access - Board shall have the right of access during reasonable hours as may be necessary for the maintenance, repair or replacement of common elements and to make any required inspections or repairs as necessary to correct or prevent damage to the unit, other units or PLTA. Owners will be notified prior to entry whenever possible or as soon as possible after entry.

- F. Cost of Repairs - The cost of repairing property owned by the Association (such as the common areas) or another unit could be your responsibility under certain circumstances. The occurrence may relate to water damage caused by a clogged drain, worn seals, and tub or sink overflowing. Damage caused by smoke or fire originating in your unit that cause harm to

PIRATES' LANDING TOWNHOMES ASSOCIATION, INC.

another unit could also be your responsibility. Any cost of repair or replacements due to a resident's negligence or misuse will be the responsibility of such resident and/or owner.

- G. Disturbance of Neighbors - All PLTA residents (owners and occupants of units) shall at all times exercise extreme care to avoid making or permitting to be made loud or objectionable noises (such as playing or permitting to be used or played musical instruments, radios, phonographs, television sets, amplifiers or devices) in such a manner that may disturb other residents at PLTA. No unit shall be used or occupied in such a manner as to obstruct or interfere with the enjoyment of other residents. Any nuisance, immoral, or illegal activity will not be permitted at PLTA.
- H. Plumbing - PLTA water is individually metered and billed. Any plumbing leaks within a unit must be repaired immediately by the owner. Also, clogging of drains (such as a grease clog in the kitchen) may cause damage to another unit, and must be repaired immediately. The Board or its representative MAY take reasonable actions to minimize damages caused by leaks while unit owners are not in residence.
- I. Children - Parents are responsible for proper supervision and safety of their children, and to see that they abide by the Rules and Regulations of PLTA. Parents may be charged for any damage caused by their children.
- J. Business operations - Business operations conducted from a unit are not permitted at PLTA.
- K. Telephone Numbers - All residents' telephone numbers should be registered with the Board for security and safety reasons.
- L. Outside Cooking - Outside cooking should be conducted in a manner so as not to pose a fire hazard.
- M. Speed Limit - A speed not exceeding 20 miles per hour must be maintained on PLTA property.
- N. Solicitation - No solicitation or solicitation materials are permitted at PLTA except as authorized by the Board.
- O. Smoke Detectors - Smoke detectors should be installed in each unit and properly maintained.

XVI. ENFORCEMENT OF RULES AND REGULATIONS

- A. After reasonable notification, non-compliance or repeated offenses of these Rules and Regulations may result in a penalty/fine to the owner as levied by the Board. Offenses include but are not limited to non-payment of association dues, non-payment of association assessments, or violation of any of the above rules and regulations.

PIRATES' LANDING TOWNHOMES ASSOCIATION, INC.

- B. Liens and legal actions: Once an owner goes in the rears with association dues or assessments they are subject to legal action. The Board is responsible to all of the association and will take all necessary actions to collect outstanding debts owed to the association including suing to place a lien on the owner's unit.