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WHEREAS, not less than seventy-five percent (75%) of the Owners of Lots in Replat of Section Thirteen of Tiki Island Subdivision have approved these Amendments to the deed restrictions for Replat of Section Thirteen of Tiki Island Subdivision; and

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NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS: that the Lot Owners of Replat of Section Thirteen of Tiki Island Subdivision, being the owners of not less than seventy-five percent (75%) of the Owners of Lots in Replat of Section Thirteen of Tiki Island Subdivision have approved these Amendments to the deed restrictions for Replat of Section Thirteen of Tiki Island Subdivision, and do hereby make and file the following restrictions, reservations, protective covenants, limitations and conditions regarding the use and/or improvements on the Lots located in Replat of Section Thirteen of Tiki Island Subdivision, including, but without limitation, the Lots, dedicated roads, avenues, streets, waterways and common areas and facilities therein. The hereinafter stated Amendments to the deed restrictions for Replat of Section Thirteen of Tiki Island Subdivision shall be effective at 5:00 o'clock p.m. on the date same are filed for record in the Official Public Records of Real Property of Galveston County, Texas, or for record in such other records of real property in the County Clerk's Office of Galveston County, Texas in which such records are customarily filed. Every contract, deed or other instrument of conveyance which has been executed or may be hereafter executed with regard to the above-described lots shall be conclusively deemed to have been executed, delivered and accepted with the following reservations, charges, easements, covenants, conditions, restrictions and other provisions, regardless of whether or not said covenants, restrictions, conditions and other provisions are set out in full or incorporated therein. The covenants, conditions, deed restrictions and other provisions for Replat of Section Thirteen of Tiki Island Subdivision, shall be and are hereby Amended as follows:

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to the Tiki 13 Property Owners Association, its successors and assigns. Any and all references to the Association shall mean and refer to the Tiki 13 Property Owners Association, its successors and assigns. Any and all references to the association shall mean and refer to Tiki 13 Property Owners Association unless otherwise specifically designated in this Declaration.

Section 2. "Tiki Island Civic Association" shall mean and refer to the Tiki Island Civic Association, its successors and assigns, being the corporate entity established in the original Declaration.

Section 3. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is part of the Properties, but excluding those having such interest merely as security for the performance of an obligation, and excluding those persons or entities holding only a lien, easement, mineral interest or royalty interest burdening the title thereto.

Section 4. "Properties" shall mean and refer to that certain real property hereinbefore described.

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map or plat of the properties.

Section 6. "Declarant" shall mean and refer to Tiki 13 Group, L. L. P., its successors and assigns.

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Section 7. "Replat of Section Thirteen of Tiki Island Subdivision" shall refer to all Lots shown on the recorded plat thereof recorded in Plat Record 17 and Map Number 8 of the Map

Records in the office of the County Clerk of Galveston County, Texas. Said subdivision is sometimes referred to as "Replat of Tiki Island, Section Thirteen" and "Tiki Island, Replat of Section Thirteen". All such terms shall be synonymous with "Replat of Section Thirteen of Tiki Island Subdivision".

ARTICLE II

RESERVATIONS, EXCEPTIONS AND DEDICATIONS

Section 1. Recorded subdivision map of the properties. The recorded subdivision map of the properties dedicates for use as such, subject to the limitations as set forth therein, the streets and easements shown thereon and such recorded subdivision map of the properties further establishes certain other restrictions applicable to the properties. All dedications, limitations, restrictions and reservations shown on the recorded subdivision map of the properties are incorporated herein and made a part hereof as if fully set forth herein, and shall be construed as being adopted in each and every contract, deed, or other instrument of conveyance which has been executed or may be hereafter executed with regard to the above-described property or any part thereof, whether specifically referred to therein or not, subject to the hereinafter stated provisions relating to consolidation of Lots into composite building sites.

Section 2. Utilities. Declarant hereby dedicates to the public along, under, over, across and through the front 10 feet of each lot in order to lay, construct, operate, maintain, inspect, reconstruct, change the size of and remove such utility lines and facilities (including, but not limited to, water, sanitary sewer, storm sewer, drainage and gas pipes, mains and conductors and all appurtenances thereto and electric distribution and communication lines, wires, conduits, poles, down guide wires, connections and all appurtenances thereto and any other utilities necessary to serve each of said lots), together with the right of ingress and egress thereto. The "front 10 feet of each lot" is defined as a strip 10 feet in width along each side of each lot adjoining a street. Utility easements hereby dedicated are easements 10 feet wide at and below normal ground level and extending upward to a plane 16 feet above the ground, and from said planes and upward, the utility easements are unobstructed aerial easements 21 feet, 6 inches wide, extending 5 feet in width adjacent to and on both sides of the utility easements on each lot.

Section 3. Waterways. Declarant reserves for himself, his successors and assigns, a perpetual right of way easement in, along, under, over, across and through all channels, canals, lakes and waterways of every type shown on the map of the Replat of Section Thirteen of Tiki Island Subdivision (hereafter collectively called "Waterways") to construct, operate, maintain, inspect, reconstruct and deepen such waterways and all other facilities for navigation by small boats and crafts, together with the right to connect such waterways with other waterways, and such waterways are not dedicated to the public in any manner.

Section 4. Bulkheads. Declarant reserves for itself and its successors and assigns, a perpetual non-exclusive easement in, along, under, over, across and through each lot of the Replat of Section Thirteen of Tiki Island Subdivision which abuts a waterway (in common with the owner of any such lot or parcel of land which abuts a waterway), to the extent necessary to operate, maintain, inspect, repair, change the size of and reconstruct bulkheads located on such lots for the purpose of maintaining

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and protecting the said waterways from erosion from such abutting lots or parcels of land. It is specifically, provided, however, that declarant shall have no duty or obligation to operate, maintain, inspect, repair, change the size of and/or reconstruct bulkheads located on such lots.

Section 5. No other reservations. Other than those described in Sections 1, 2, 3, and 4 of Article II above, Declarant makes, adopts, and establishes no reservations, exceptions, and dedications.

ARTICLE III

USE RESTRICTIONS

Section 1. Authorized use.

a. Lots 1 through 72. Inclusive. No building shall be erected, altered or permitted to remain on any of these listed lots other than one single family residential dwelling. No Lot shall be used for any purpose except for single family residential purposes. The term "residential purposes" as used herein shall be held and construed to exclude hospitals, nursing homes, clinics, duplex houses, apartment houses, multiple family dwellings, boarding houses, hotels, garage apartments, stores, licensed and unlicensed day-care or child care centers, sales offices (except as hereinafter provided), warehouses, half-way houses, or other business related or multiple family dwellings. No Lot shall be used or occupied for any business, commercial, trade or professional purpose. No building or structure, intended for or adapted to business purposes, shall be erected, placed, permitted or maintained on such Lots or on any part thereof, and any such described business uses of such property are hereby expressly prohibited. Each dwelling unit shall have a private garage for not less than one (1) car. Each garage shall be provided with an overhead door. Except as hereinafter provided for Lots 36 through 55, the living area of the main structure located on any of these lots exclusive of porches, decks, entryways, and garages shall not be less than sixteen hundred (1,600) square feet.

No building shall be located nearer than twenty (20) feet to the front lot line. No building shall be located nearer than seven and one-half (7.5) feet to any side lot line. Subject to the approval of the Architectural Control Committee, building lines on irregularly shaped lots may be adjusted as the Committee deems necessary. The word "building", as used herein with reference to the building lines, shall exclude the following building elements, if they do not extend more than four (4) feet beyond the building line, but in no case nearer than five (5) feet to the side lot line: galleries; walkways; open porches; parapet walls; and the extension of eaves of a roof. Corner lots shall be deemed to front on the street having the least frontage.

b. Lots 36 through 55, Inclusive. Lots 36 through 55 shall be consolidated into single-family building sites with lot widths of not less than fifty-five (55) feet. The living area of the main structure located on any of these lots exclusive of porches, decks and garages shall not be less than fourteen hundred (1,400) square feet.

Section 2. Composite building site. Any owner of one or more adjoining lots or portions thereof may consolidate such lots or portions into one composite building site with the privilege of placing or constructing a single-family residence on such resulting site, in which case setback lines shall be measured from the resulting property lines, subject to the limitations outlined above. In the case of all

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adjoining lots or portions thereof that are consolidated into composite building sites, the side lot easement for drainage for each such composite building site shall be on the side lot lines of the resulting property lines and not on the side lot lines as shown on the recorded plat. Each such composite building site shall be regarded as a single Lot for purposes of the annual maintenance charges under the provisions of Article V and the annual assessments under the provisions of Article VII.

Section 3. Prohibition of offensive activities. No activity, whether for profit or not, shall be carried on any lot which is not related to single-family residential purposes. No noxious or offensive activity of any sort shall be permitted nor shall anything be done on any lot which may be or may become an annoyance or nuisance to the neighborhood.

Section 4. Use of temporary structures. No structure of a temporary character, trailer, tent, shack, garage or other outbuilding shall be used on any lot at any time as a residence. Temporary structures used as building offices and for other related purposes during the construction period must be inconspicuous and not unsightly and must be timely removed after construction is completed.

Section 5. Walls, fences and hedges. No hedge in excess of three (3) feet in height, wall, or fence shall be erected or maintained nearer to the front lot line than the walls of the dwelling existing on such lot. The size, type, and height of fences shall conform to ordinances of the Village of Tiki Island governing such construction. All fences shall be of the design, color and type of materials which are architecturally compatible and in keeping with the general decor of the subdivision. The installation of chain-link fences or other form of metal wire or wire mesh fences is prohibited, except as an animal enclosure or pen of not more than one hundred (100) square feet and located behind the building line. Any such chain-link fences or other form of metal wire or wire mesh fences to be used as an animal enclosure or pen must be completely enclosed inside wood fencing or other approved fencing and must be lower in height than the outside fence.

Section 6. Lot maintenance. The Owners or occupants of all lots shall at all times keep all weeds and grass thereon cut in a sanitary, healthful, and attractive manner and shall in no event use any lot for storage of materials and equipment except for normal residential requirements or incident to construction of improvements thereon as herein permitted, or permit the accumulation of garbage, trash or rubbish of any kind thereon. Every Owner of a Lot, by the acceptance of a deed for the same, or by acceptance of title, covenants that he, she or it will not permit the Lot or any improvements thereon, including, but not limited to, the buildings, structures, fences and improvements thereon, to be otherwise maintained than in good repair and in safe, neat and attractive condition. In the event that any Owner shall fail to maintain his Lot (and/or the structures and improvements thereon) in accordance with the provisions contained in this section and, in the judgment of the Association, such failure results in a condition of unsightliness tending to adversely affect the value or enjoyment of neighboring Lots or constitutes a hazard to persons or property, the Association may give written notice to the Owner of the Lot, by certified mail and regular mail to the property address, of such failure to maintain, specifically setting out the actions required to rectify such failure to maintain, and demanding that corrective action sufficient to cure the lot maintenance problem defined by the Association be taken by the Owner of the Lot within ten (10) days of receipt of written notice setting forth the complaint. Upon failure of the Owner of the Lot to rectify the condition within such period of time, the Association may, without liability to the Owner or occupant, in trespass or otherwise, enter upon or authorize its agents to enter upon said Lot to do grass or weed cutting, trash and debris removal, or any other work to be performed on the Lot (and/or structures and

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improvements) to restore the Lot (and/or structures and improvements) to a condition in compliance with these Deed Restrictions. It is specifically provided that the Association shall not have any duty or obligation to maintain any Lot. For the purpose of performing the necessary

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exterior work, after expiration of the required ten-day notice period above, the Association through its authorized agents, servants, employees or contractors, shall have the right to enter upon said Lot at reasonable hours. Payment of charges for any work performed upon any Lot to bring said Lot into compliance with these deed restrictions shall be the responsibility of the Owner of the Lot and payment shall be due upon presentation of invoice to the Owner, either in person or by mail. Default in the prompt and full payment of that invoice within thirty (30) days from the date the invoice is sent to the Owner at the property address shall entitle the Association to cause the amount of the invoice to be added to and become part of the annual maintenance assessment or charge, to which such Lot is subjected under these covenants, and as part of such annual assessment or charge, it shall be a lien and obligation of the Owner in all respects as provided in these covenants.

Section 7. Antenna and satellite dishes and Generating Devices.

a. Antenna and satellite dishes. No electronic antenna or device of any type other than one antenna for receiving normal television signals shall be erected, constructed, placed or permitted to remain on any Lots, residencies thereon or other buildings or structures constructed in the properties. Such television antenna must not exceed four feet (4') over the highest point of the roof of the main residential structure on such Lot. The antenna's location shall be restricted to the rear of the residential structure or to the rear of the roof ridge line, gable or center line of the residential structure so as to be hidden from sight, to the greatest extent practicable, when viewed from the front of the Lot. No satellite dishes or satellite dish type structures shall be maintained, erected or installed on any portion of any Lot and any and all satellite dishes and/or satellite dish type structures are strictly prohibited.

b. Wind-driven electric generating devices. No wind-driven electric generating device shall be erected on any portion of any lot or on the roof of any structure.

Section 8. Exterior Construction Materials. Exterior walls of a building erected on a lot shall be of wood, stucco, Surewall, Powerwall, or equivalent materials. Exterior wall materials are subject to approval of the Architectural Control Committee. Exterior wood shall be stained or painted and all storm blinds shall be painted to match the house color. All elevated structures built on pilings or other types of elevated foundations shall have the pilings, or elevated foundations visible from the street, painted or otherwise finished in a manner acceptable to the Architectural Control Committee.

Section 9. Driveways. Driveways shall be constructed of reinforced concrete. Washed gravel, trick pavers, or other similar type surfaces are permitted.

Section 10. Bulkheads, boathouses and Piers. The bulkhead of any lot shall not be breached for any purpose, nor shall boathouses be constructed, without first having obtained the written approval of the Architectural Control Committee. Any breach of the bulkhead for an inland boat slip shall have a bulkhead liner equal to or better than the breached bulkhead. The elevation of the boathouse deck and the elevation of the living area of the house shall be equal. Boathouses shall not extend more than fifteen (15) feet beyond the bulkhead. The use of automotive tires or other unsightly materials for hold-off fenders or pier construction is prohibited.

Section 11. Foundations. The entire area under the house at ground level shall be concrete. The ground area between the house foundation and the bulkhead shall be concrete or wood decking.

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Section 12. Construction subject to the Approval of the Village of Tiki Island. Construction or alteration of any structure on any lot governed by these restrictions is subject to the ordinances and building regulations of the Village of Tiki Island and the issuance by the Village of the required building permit.

Section 13. Liquid petroleum products. The use and/or storage of liquid petroleum products (propane, butane, etc.) is prohibited.

Section 14. Animals. Livestock. Poultry, Reptiles and Insects. No animals, livestock, sheep, goats, swine, reptiles, insects or poultry of any kind shall be raised, bred or kept on any Lot except that not more than a combined total of three (3) dogs, cats and/or other common household pets may be kept, provided that such pets are not kept, bred or maintained for any commercial purposes, but only for the use and pleasure of the Owner of such Lots, and provided that such pets are not allowed to roam or wander unleashed in the neighborhood and provided that such pets shall not become a nuisance or annoyance to other Lot Owners in the neighborhood. Regardless of the number, size or type of household pets, such pets shall not be permitted to constitute a nuisance. The Board of Directors of the Association shall have the right to limit the number and variety, classes and/or types of household pets.

Section 15. Signs. No sign, advertisement, billboard or advertising structure of any kind except real estate signs not to exceed five (5) square feet in area and advertising the Lot for sale or rent may be erected or maintained on any residential lot. The Association shall have the right to remove any such sign, advertisement or billboard which is placed on any residential lot without such consent, and in doing so, shall not be liable and is expressly relieved from any liability for trespass or for any damages in connection therewith or arising from such removal.

Section 16. Oil and Mining Operations. No owner shall conduct oil or gas drilling or development operations, oil or gas refining, or quarrying or mining operations of any kind upon or in any lot, nor shall any owner create or operate oil wells, tanks, tunnels, mineral excavations or shafts upon or in any lot.

Section 17. Storage and Disposal of Garbage and Rubbish. No vacant lot or part of the property shall be used or maintained as dumping grounds for rubbish. Trash, garbage or other materials shall be kept only in sanitary containers. All incinerators or other equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition.

Section 18. Illegal or immoral purposes. No alcoholic, venous or malt liquor or medicated bitters capable of producing intoxication shall ever be sold or offered for sale on any lot, nor shall any lot be used for illegal or immoral purposes.

Section 19. Screening from public view. No permanent clothesline which may be viewed from a street shall ever be installed or maintained on any lot. All yard equipment, wood piles, material, storage piles and drying of clothes shall be screened to conceal them from public view of neighboring Lots, streets or other properties.

Section 20. Hunting. No hunting will be allowed in the Subdivision.

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Section 21. Vehicle parking regulations. No motor home, boat, truck, camper, boat rigging, boat trailer, house trailer, travel trailer, mobile home, truck cab, detached camper top, recreational vehicle, (RV), commercial vehicle having a rated load capacity in excess of one ton, any inoperative vehicle, any self-propelled or towable equipment or machine or van shall be stored, parked or kept on any Lot longer than forty-eight (48) hours between the building line and the front property line, unless such vehicles, boats, etc. are placed or parked in the garage of the homeowner or are otherwise screened from public view by screening or fencing. No inoperative vehicle (inoperative being defined as not in running or usable condition) may be parked or stored on any Lot or in any street at any time unless stored in a garage.

No motor home, boat, truck, camper, boat rigging, boat trailer, house trailer, travel trailer, mobile home, truck cab, detached camper top, recreational vehicle, (RV), commercial vehicle having a rated load capacity in excess of one ton, any inoperative vehicle, any self-propelled or towable equipment or machine or van shall be parked or stored on any street at any time other than as may be reasonably required for a delivery or pickup of goods, wares, property or material to or from the lot to which the delivery or from which the pickup is to be made.

Section 22. Commercial boats. No boat which is used for commercial purposes and no boat which is designed for shrimping will be allowed to operate or be anchored or docked in any manner in any waterway without prior written approval of the Association. No boat shall be anchored in the canal; each boat must be securely tied fore and aft to the canal lot frontage of the Owner.

ARTICLE IV

ARCHITECTURAL CONTROL COMMITTEE

Section 1. Creation of Architectural Control Committee. There is hereby created a committee to be known as the Architectural Control Committee for Replat of Section Thirteen of Tiki Island Subdivision, which is created for the purposes of reviewing and approving or disapproving applications for architectural control committee approvals and/or requests for variances, as hereinafter more fully set forth.

Section 2. Objectives of Architectural Control Committee. The Committee's objective shall be to prevent from being built in the Subdivision any unusual, radical, uncommon, curious, odd, extraordinary, bizarre, peculiar or irregular designs or appearances and/or to prevent from being built in the Subdivision any and all structures, buildings, improvements or any other designs that may adversely affect property values in the Subdivision. The Committee's primary objective shall be to control and regulate architectural harmony in the Subdivision.

Section 3. Approval of Building Plans. No building, dwelling, garage, fence, wall, driveway, sidewalk, swimming pool, gazebo, structure or other improvement shall be erected, placed, or altered on any of the lots until the construction plans and specifications and a plot plan showing the location of the structure have been approved in writing as to harmony of exterior design and color with existing structures, as to location with respect to topography and finished ground elevation, and as to compliance with minimum construction standards by the Architectural Control Committee for Replat of Section Thirteen of Tiki Island Subdivision. A copy of the construction plans and specifications and a plot plan, together with such information as may be deemed pertinent, shall be submitted to the Architectural Control

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Committee or its designated representative prior to commencement of construction. The Architectural Control Committee may require the submission of such plans, specifications, and plot plans, together with such other documents as it deems appropriate, in such form and detail as it may elect at its entire and sole discretion. In the event the Architectural Control Committee fails to approve or disapprove such plans and specifications within thirty (30) days after the receipt of the required documents, approval will not be required and the requirements of this Article will be deemed to have been fully complied with.

Section 4. Committee Membership. The Architectural Control Committee members shall be three (3) in number, and the initial members of the Architectural Control Committee shall be EUGENE MAIER, NORMAN J. GANSLER and NANCY WALTER. Any approval or disapproval of any matter requiring action by the Committee shall be in writing and signed by a majority of the Committee. A quorum of two members shall be required for any action. In the event of death, removal, expiration of term or resignation of any member or members of said Committee, the successor member or members shall be appointed by Tiki 13 Group, L.L.P., and until such successor member or members shall have been so appointed, the remaining member or members shall have full authority to approve or disapprove plans, specifications and plot plans submitted. When by death, removal, expiration of term or resignation of members the Committee is reduced to only one member, the requirement of a quorum shall be suspended until one or more successor member or members shall have been appointed according to the provisions of this Section. The power of Tiki 13 Group, L.L.P. to remove or replace members of the Architectural Control Committee and to appoint successor member or members of the Architectural Control Committee shall automatically cease on the first (1st) day of January, 1997. Thereafter, the power to remove or replace members of the Architectural Control Committee and to appoint successor member or members of the Architectural Control Committee and all powers, duties and rights conferred upon the Architectural Control Committee by virtue of this Declaration shall vest in the Tiki 13 Property Owners Association, without the necessity of the execution or recording of any written instrument of assignment. Nothing contained herein shall prevent the Tiki 13 Group, L.L.P. from assigning such powers to the Tiki 13 Property Owners Association at an earlier date.

Section 5. Minimum Construction Standards. The Architectural Control Committee may from time to time promulgate an outline of minimum acceptable construction standards, provided, however, that such outline will serve as a minimum guideline and such Architectural Control Committee shall not be bound thereby. Such architectural guidelines shall be binding upon the Committee and the Owners of Lots until such time as said architectural guidelines are revoked or modified by subsequent action of the Committee.

ARTICLE V

MAINTENANCE CHARGE FOR TIKI ISLAND CIVIC ASSOCIATION

Section 1. Maintenance Charge and Fund for Tiki Island Civic Association. Each lot on TIKI ISLAND is subjected to an annual maintenance charge established by the Board of Directors of the Tiki Island Civic Association, payable annually in advance by the owner or purchaser of each lot on the first day of January of each year to the Tiki Island Civic Association for the purpose of creating a fund described below, known as the "Maintenance Fund". Such annual maintenance charge, together with interest, costs, and reasonable attorney's fees, shall be a charge on the Lot and shall be a continuing lien

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upon the Lot against which each such annual maintenance charge is made. The annual maintenance charge is initially set at Seventy Five Dollars and No Cents (\$75.00) and is payable to the Tiki Island Civic Association.

The Tiki Island Civic Association may increase or reduce the maintenance charge from time to time by action applying uniformly to all lots in the TIKI ISLAND subdivision; however, the annual maintenance charge may not exceed the maximum sum of One Hundred Fifty Dollars and No Cents (\$150.00) for each lot in TIKI ISLAND. The Tiki Island Civic Association may also from time to time reduce the maintenance charges payable by owners of two or more lots by action applying uniformly to all owners of two or more lots. Such increase or decrease shall become effective on January 1 of the year to which said change applies. The maintenance charge shall be prorated between purchasers and sellers of Lots in the proportion that the remaining months of the calendar year bear to the whole year.

Section 2. Creation of the Lien and Personal Obligation for Annual Assessments. To secure the payment of the maintenance charge on each lot, a vendor's lien is hereby retained on each lot in favor of Tiki Island Civic Association, and it shall be the same as if a vendor's lien was retained in favor of Tiki 13 Group, L.L.P., and assigned to Tiki Island Civic Association without recourse in any manner to Tiki 13 Group, L.L.P., for payment of such indebtedness. Appropriate recitations with respect to the maintenance fund and the reservation of the Vendor's Lien shall be included in each contract of sale and/or deed executed and delivered by any Lot Owner with respect to each Lot. The failure to include such recitations in the contract of sale and/or deed shall not affect the validity of the Vendor's Lien. Said lien shall be enforceable through appropriate proceedings at law, provided however, that each such lien shall be secondary and inferior to all liens, present and future, given, granted and created by or at the instance and request of the owner of any lot to secure the payment of monies advanced or to be advanced on account of the purchase price and/or the improvement of any lot, and further provided that as a condition precedent to any proceeding to enforce such lien upon which there is an outstanding valid and subsisting first mortgage lien, the Tiki Island Civic Association, its successor or assign, shall give the holder of such first mortgage lien sixty (60) days written notice of such proposed action by mailing to the nearest office of such first mortgage holder by prepaid United States Mail a statement of the delinquent maintenance charges upon which proposed action is based. By acceptance of a contract of sale, deed or other instrument of conveyance, each Owner agrees and consents to the maintenance charge and the lien as provided herein.

Section 3. Purpose of Assessments. Payments of the maintenance charge shall be used by the Tiki Island Civic Association to create a "Maintenance Fund". The payments of the maintenance charges received from Lot Owners in Replat of Section Thirteen of Tiki Island Subdivision may be co-mingled with payments of maintenance charges to the Tiki Island Civic Association from other subdivisions in the vicinity of the Subdivision which are designated as numbered sections of "TIKI ISLAND" and which have been heretofore or are hereafter subdivided according to a map or plat filed in the Plat or Map Records of Galveston County, Texas, and in which each lot is subject to an annual maintenance charge which has been assigned to the Tiki Island Civic Association or which is required to be paid to the Tiki Island Civic Association by applicable restrictions and reservations. The Maintenance Fund shall be applied, so far as sufficient, toward the payment of maintenance expenses in the Subdivision and in any said other subdivision from which maintenance charges are paid to the Tiki Island Civic Association and placed in the Maintenance Fund. "Maintenance expenses shall include expenses incurred for any of the

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following purposes: lighting, constructing, improving and maintaining any rights of way, easements, streets, sidewalks, paths, fences, waterways, bulkheads, marinas, boat docking facilities, navigational facilities and aids, parkways, esplanades, areas between curbs and sidewalks, and any structures, facilities or area which can be used by all Owners or which in the opinion of the Tiki Island Civic Association would benefit the Subdivision or the area as a whole; collecting and disposing of garbage, ashes, rubbish and the like in said area (other than garbage, ashes, rubbish and the like from constructed residential dwellings), caring for vacant lots, subsidizing bus or transportation service, employing watchmen or any other action deemed desirable to protect persons and property, payment of legal and all other expenses in connection with the operation of the Tiki Island Civic Association, and the enforcement of recorded charges, restrictions, covenants, agreements and conditions affecting property to which maintenance charges apply, payment of all expenses in connection with the collection and administration of the maintenance charges, and doing any other things necessary and desirable in the opinion of the Board of Directors of the Tiki Island Civic Association to keep property neat and in good order or which it considers of general benefit to the Subdivision or such other numbered sections of TIKI ISLAND. The act of the Tiki Island Civic Association in its expenditures of the Maintenance Fund shall be final so long as it acts in good faith.

Section 4. Effect of Nonpayment of Assessments: Remedies of the Tiki Island Civic Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of up to a maximum of ten percent (10%) per annum or the maximum rate of interest allowed by law, whichever is lower, in the discretion of the Board of Directors of the Tiki Island Civic Association, provided that the rate of interest is uniform as to all Lots. If it becomes necessary to turn the collection of the annual maintenance charge over to an attorney, then in that event the Lot Owner will be liable for reasonable attorney's fees and costs incurred.

The Board of Directors of the Tiki Island Civic Association, at its sole option, may bring an action at law against the Owner personally obligated to pay the same, or may foreclose, by judicial proceedings, the lien created hereby against the Lot. No Owner may waive or otherwise escape liability for the assessments provided for herein by abandonment of his Lot. To evidence the aforesaid assessment lien, the Tiki Island Civic Association shall be authorized, but not required, to prepare a written notice of assessment lien setting forth the amount of the unpaid indebtedness, the name of the owner of the Lot covered by such lien and a description of the Lot. Such notice may be recorded in the office of the County Clerk of Galveston County, Texas. Such lien for payment of assessments shall attach with the priority above set forth from the date that such payment becomes delinquent.

ARTICLE VI TIKI 13 PROPERTY OWNERS ASSOCIATION and TIKI ISLAND CIVIC ASSOCIATION

Section 1. Membership. Every person or entity who is an owner of any of the lots governed by these restrictions shall be a member of the Tiki 13 Property Owners Association. The foregoing does not include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of the land which is subject to assessment by the Association. Ownership of such land shall be the sole qualification for membership.

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Section 2. Voting rights. Members shall be all those owners as defined in Section 1. Each member shall be entitled to one vote for each lot in which they hold the interest required for membership by Section 1, except that when a member consolidates one or more lots or portions thereof into one composite building site, then the member shall have one vote for each such composite building site. When more than one person holds such interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any lot.

Section 3. Nonprofit Corporation. A Texas Non-Profit Corporation, entitled the Tiki 13 Property Owners Association, has been organized and duly incorporated and all duties, obligations, benefits, liens, and rights hereunder shall vest in said corporation.

Section 4. Bylaws. The Tiki 13 Property Owners Association may make whatever rules or bylaws it may choose to govern the organization, provided that said are not in conflict with the terms and provisions hereof.

Section 5. Membership in Tiki Island Civic Association. Every person or entity who is an owner of any of the lots governed by these restrictions shall also be a member of the Tiki Island Civic Association. The foregoing does not include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of the land which is subject to assessment by the Association. Ownership of such land shall be the sole qualification for membership.

Section 6. Voting rights in Tiki Island Civic Association. Members shall be all those owners as defined in section 1. Each member shall be entitled to one vote for each lot in which they hold the interest required for membership by Section 1, except that when a member consolidates one or more lots or portions thereof into one composite building site, then the member shall have one vote for each such composite building site. When more than one person holds such interest in any or, all such persons shall be members. The vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any lot.

ARTICLE VII

SECTION 13 MAINTENANCE CHARGE

Section 1. Creation of the lien and personal obligation of assessments. Each lot on TIKI ISLAND, REPLAT OF SECTION THIRTEEN is subjected to an annual assessment established by the Board of Directors of the Tiki 13 Property Owners Association, payable annually in advance by the owner or purchaser of each lot on the first day of January of each year to the Tiki 13 Property Owners Association for the purpose of creating a fund described below, known as the "Tiki 13 Maintenance Fund". The owner of each lot in TIKI ISLAND, REPLAT OF SECTION THIRTEEN subdivision by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Tiki 13 Property Owners Association such annual assessments, to be established and collected as hereinafter provided,

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Section 2. Maximum Annual Assessment. Until January 1, 1995, the maximum annual assessment shall be One Hundred Fifty Dollars and No Cents (\$150.00). From and after January 1, 1995, the maximum annual assessment may be increased each year by not more than ten percent (10%) above the maximum assessment for the previous year without a majority vote of the membership. From and after January 1, 1996, the maximum annual assessment may be increased above the ten percent (10%) by a vote of two-thirds (2/3) of members who are voting in person or by proxy, at a meeting duly called for this purpose. The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Any annual assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of ten percent (10%) per annum or the maximum rate of interest allowed by law, whichever is lower, provided that the rate of interest is uniform as to all Lots. Such annual assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment became due, but such personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them. However, such transfer shall not affect the vendor's lien on said Lot as said annual assessments shall run with the land. The annual assessments shall be applicable to each Lot and shall be secured by a Vendor's Lien on each Lot. If it becomes necessary to turn the collection of the annual assessments over to an attorney, then in that event the Lot Owner will be liable for reasonable attorney's fees and costs incurred. Appropriate recitations with respect to the annual assessments and the reservation of the Vendor's Lien shall be included in each contract of sale and/or deed executed and delivered by any Lot Owner with respect to each Lot. The failure to include such recitations in the contract of sale and/or deed shall not affect the validity of the Vendor's Lien.

It is specifically stated and agreed that any Lot sold to persons or entities by the Declarant by contract for sale of land or deed with lien and note or other instrument, and the purchaser defaults in the contract or note payments in any manner and said Lot is repossessed, foreclosed or such contract cancelled by the Declarant, its successors or assigns, the Tiki 13 Property Owners Association will release its right to collect the past due assessments and penalties on such lots from the Declarant. Nothing herein contained shall relieve the purchaser in default from whom the lot was repossessed from his personal obligation to pay such delinquent charges, assessments and penalties to the Association.

Section 3. Purpose of Assessment. The Tiki 13 Property Owners Association shall use the proceeds of said maintenance fund for the use and benefit of all owners of Tiki Island Subdivision, Replat of Section 13. The uses and benefits to be provided by said Tiki 13 Property Owners Association shall include by way of clarification and not limitation and, at its sole option, any and all of the following: maintaining any common areas, paying of all legal and other expenses incurred in connection with the enforcement of all recorded charges and assessments, covenants, restrictions and conditions affecting the properties to which the maintenance fund applies, paying of all reasonable and necessary expenses in connection with the collection and administration of the maintenance charge and assessment, and doing any other thing or things necessary or desirable in the opinion of the Tiki 13 Property Owners Association to keep the properties in the subdivision neat and in good order, or which is considered of general benefit to the owners or occupants of the properties, it being understood that the judgment of the Tiki 13 Property

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Owners Association in the expenditure of said funds shall be final and conclusive so long as such judgment is exercised in good faith.

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Section 4. Notice and quorum for any action authorized under Section 2. Written notice of any meeting called for the purpose of taking any action authorized under Section 2 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 sixty percent (60%) of all the votes of membership 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 at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 5. Uniform rate of assessment. Annual assessments must be fixed at a uniform rate for all lots or building sites. A building site is defined as one or more lots occupied by a residential building exclusive of swimming pools, boat houses, or other buildings not a part of the primary residence.

Section 6. Date of commencement of annual assessments: Due date. The annual assessments provided for herein shall commence as to all lots or building sites on January 1, 1995. The Board of Directors shall fix the amount of the annual assessment against each lot or building site at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to each owner subject thereto. The due dates shall be established by the Board of Directors. The Tiki 13 Property Owners Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Tiki 13 Property Owners Association setting forth whether the assessments on a specified lot have been paid.

Section 7. Subordination of lien. To secure the payment of the maintenance fund established hereby and to be levied on individual residential lots or composite building sites, there shall be reserved in each deed (whether specifically stated therein or not) by which the Declarant shall convey such lots, a vendor's lien for benefit of the Tiki 13 Property Owners Association, said lien to be enforceable through appropriate proceedings at law by such beneficiary. It is provided, however, that each such lien shall be secondary, subordinate, and inferior to all liens, present and future, given, granted and created by or at the instance and request of the owners of any such lot to secure payment of monies advanced or to be advanced on account of the purchase price and/or the construction of improvements on any such lot to the extent of any such maintenance fund charge accrued and unpaid prior to foreclosure of any such purchase money lien or construction lien. It is further provided that as a condition precedent to any proceeding to enforce such lien upon any lot upon which there is an outstanding valid and subsisting first mortgage lien, for the aforesaid purpose or purposes, the Tiki 13 Property Owners Association shall give the holder of such first mortgage lien sixty (60) days written notice of such proposed action, which notice shall be sent to the nearest office of such first mortgage holder by prepaid United States Certified Mail, and shall contain a statement of the delinquent maintenance charges upon which the proposed action is based. Upon the request of any such first mortgage lienholder, the Association shall acknowledge in writing its obligation to give the foregoing notice with respect to the particular lot or building site covered by such first mortgage lien to the holder thereof.

Section 8. Effective period. The above maintenance charge and assessment will remain effective for the full term (and extended term, if applicable) of the within covenants.

ARTICLE VIII

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or the owners of any lot, shall have the right to enforce, by a proceeding at law or in equity all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of these deed restrictions. Failure by the Association or by any owner to enforce any covenant or restriction herein shall in no event be deemed a waiver of the right to do so thereafter. This Section shall not restrict any governmental agency from acting to enforce any of the foregoing restrictions.

Section 2. Severability. Invalidation of any one of these reservations, covenants, restrictions, or other provisions by judgment or court order shall in no way affect any other provision which shall remain in full force and effect. In the event that this amendment is invalidated in whole or part, then this Declaration shall be regarded as additional covenants, reservations, conditions and restrictions and shall be binding upon all Lot Owners who are signatories to this document.

Section 3. Amendment to the above deed restrictions. The covenants and restrictions of this Declaration shall run with the land, for a term of ten (10) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first ten (10) year period by an instrument signed by not less than seventy-five (75%) of the Lot Owners in this Subdivision, and thereafter by an instrument signed by not less than sixty percent (60%) of the Lot Owners in this Subdivision. Any amendment must be recorded.

Section 4. Incorporation. The terms and provisions of this Declaration shall be construed as being adopted in each and every contract, deed, conveyance, lease, rental agreement, contract for deed or other agreement affecting title to or interest in any and all Lots in the Subdivision heretofore or hereafter executed and warranties of title contained herein shall be subject to the terms and provisions of this Declaration, and such terms and provisions are hereby incorporated into each such contract, deed, conveyance, lease, rental agreement, contract for deed or other agreement affecting title or interest to such Lots by reference as if set forth therein verbatim.

Section 5. Binding Effect; Successors in Title. All the terms and provisions hereof shall be binding on all of the parties hereto, all signatories hereto, all persons or entities who own or possess an interest or title to any Lot(s), whether heretofore or hereafter acquired, and all persons or entities claiming an interest by deed, contract for deed, lease or rental agreement, and/or other conveyance, and to their respective heirs, personal representatives, successors, executors, administrators, legal representatives and assigns.

WE, THE UNDERSIGNED LOT OWNERS IN REPLAT OF SECTION THIRTEEN OF TIKI ISLAND SUBDIVISION, HEREBY CONSENT to this Second Amended Declaration of Covenants, Conditions and Restrictions for Replat of Section Thirteen of Tiki Island Subdivision and hereby agree and covenant that the Lot or Lots to which we hold record title, as described below, shall be and are hereby

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subject to this Declaration. We agree that all the terms and provisions hereof shall extend to and be binding on all of the parties hereto and their respective heirs, personal representatives, successors and assigns, and to all other persons and entities bound by the terms and provisions of this declaration.

IN WITNESS WHEREOF, the said Declarant and the said Lot Owners have executed this instrument on the date of their respective signatures hereto.

EUGENE MAIER, as Managing General Partner of Tiki 13 Group, L.L.P.

NORMAN J. GANSLER, as Managing General Partner of Tiki 13 Group, L.L.P.

Note: this document was signed and notarized on May 16, 1994.