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THE STATE OF TEXAS §
COUNTY OF GALVESTON §

RESERVATIONS AND RESTRICTIONS
OF
SPANISH GRANT, SECTION 12

WHEREAS, JAMAICA RESORT CORPORATION (hereinafter called "Jamaica"), a Texas corporation, is the owner of all that certain 10.0779-acre tract of land out of the Trimble and Lindsay Survey, Section 2, in Galveston County, Texas, a subdivision designated as SPANISH GRANT, Section 12, according to the map or plat thereof filed with the County Clerk of Galveston County, Texas; and

WHEREAS, Jamaica desires the development of its property to be for the mutual benefit and pleasure of the present and future property owners in such subdivision and to protect the property values therein by imposing upon and against all of the lots therein the reservations, restrictions and other provisions hereinafter set forth.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that JAMAICA RESORT CORPORATION does hereby make, adopt and establish the reservations, restrictions and other provisions (including without limitation reservations, restrictions, declarations, easements, limitations, charges, liens, agreements, covenants, conditions, preferential purchase rights and stipulations) as hereinafter set forth as applicable to the property in SPANISH GRANT, Section 12, a subdivision in Galveston County, Texas, according to the map or plat being filed in the office of the County Clerk of Galveston County, Texas (hereinafter

sometimes referred to as the "Subdivision"). Said map or plat has been duly authenticated with proper certificates and dedicates the streets shown thereon to the public, subject to the reservations, restrictions and other provisions herein contained to the same extent as though copied at length in said dedication certificate and said map or plat is subject only to such minor changes as, in the judgment of Jamaica, are necessitated by the efficient installation of improvements.

RESERVATIONS

In so authenticating said map or plat for record and in so dedicating the streets shown thereon to the public, there was reserved and there is hereby expressly reserved in Jamaica the following rights, titles and easements (hereinafter collectively called the "Reservations"). The Reservations may be incorporated to the same extent as if set forth in full in any contract of sale, deed, lease or other transfer of any interest in any property in the Subdivision by reference to this instrument; and every contract of sale, deed, lease, or other transfer of any interest in any property in the Subdivision shall be conclusively deemed to have been executed, delivered and accepted subject to the following Reservations, even if the Reservations are not set out in full and are not incorporated by reference in such contract of sale, deed, lease or other transfer of any interest in any such property:

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- (1) The legal and fee simple title in and to each and all of said streets as shown on said map or plat is hereby reserved in Jamaica subject to the dedication of the use of such streets to the public for ordinary roadway purposes only.
- (2) Jamaica reserves for itself, its successors and assigns, title in and to all water, sanitary sewer, storm sewer, drainage and gas pipes, mains, conductors, and all appurtenances thereto and all electric distribution, communication and television lines, wires, cables, conduits and all appurtenances thereto heretofore or hereafter constructed by Jamaica or its agents in all of said streets in the Subdivision, together with a perpetual easement to operate, maintain, inspect, repair, reconstruct, change the size of and remove such pipes, mains, conductors, lines, wires, cables, conduits and appurtenances thereto, as it or they may from time to time desire.
- (3) Jamaica reserves for itself, its successors and assigns, a perpetual nonexclusive easement to lay, construct, operate, maintain, inspect, repair, reconstruct, multiply, change the size of and remove such water, sanitary sewer, storm sewer, drainage and gas pipes, mains and conductors and all appurtenances thereto pertinent to the operation of waterworks; sanitary sewer, storm sewer and drainage systems, and pertinent to the operation of gas distribution systems and such electric distribution, communication and television lines, wires, cables, conduits, and appurtenances thereto pertinent to the operation of electric distribution, communication and television systems as it or they may from time to time desire, in, upon, along, under, over, across and through all of said streets in the Subdivision. Such pipes, mains, conductors, lines, wires, cables, conduits and appurtenances shall be buried to such reasonable depth as will not interfere with the use of the streets for ordinary roadway purposes.
- (4) Jamaica reserves for itself, its successors and assigns, perpetual utility easements or rights-of-way in, upon, along, under, over, across and through the front ten (10) feet of each lot or parcel of land in the Subdivision to lay, construct, operate, maintain, inspect, reconstruct, multiply, change the size of and remove such utility lines and facilities (including without

limitation of the generality thereof, water, sanitary sewer, storm sewer, drainage and gas pipes, mains, conductors and all appurtenances thereto and electric distribution, communication and television lines, wires, cables, conduits, poles, towers, props, guys, connections and all appurtenances thereto), as it or they may from time to time desire. The term "front ten (10) feet of each lot or parcel of land in the Subdivision" as used in this paragraph is a strip of land ten (10) feet in breadth along each side of each lot or parcel of land adjoining a street. Jamaica further reserves for itself, its successors and assigns, such other utility easements in, upon, along, under, over, across and through each lot or parcel of land in the Subdivision as shown on the said map or plat of the Subdivision as perpetual utility easements or rights-of-way for the same purposes previously described. All utility easements hereby reserved are easements ten (10) feet in breadth at and below normal ground level and extending upward to a plane twenty feet above the ground, and from said plane and upward, the utility easements are unobstructed aerial easements twenty feet in breadth, extending five feet in breadth adjacent to and on both sides of the utility easements on each lot or parcel of land. All utility easements include the rights of ingress and egress thereto for the exercise thereof and include the right to remove from the utility easements all bushes, trees and parts thereof or any obstructions whatsoever which in the opinion of Jamaica or its successors or assigns, endanger or may interfere with the efficiency, safety or proper maintenance of the utility lines and facilities. Neither Jamaica, any utility company, nor any other successor or assign, using the utility easements shall be liable for any damage done by them or their assigns, agents, employees or servants to shrubbery, trees or flowers or other property situated in the part of a lot or parcel of land covered by such utility easements. All utility easements hereby reserved shall be divisible among two or more owners.

Jamaica further reserves the exclusive right to grant franchises and easements to utility companies to lay, construct, operate, maintain, inspect, reconstruct, change the size of, multiply and remove such utility lines in such utility easements. Such utility easements are not dedicated to the public in any manner.

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- (5) Jamaica reserves for itself, its successors and assigns, a perpetual nonexclusive easement in, upon along, under, over, across and through each lot or parcel of land in the Subdivision which is adjacent to the beach and the Gulf of Mexico, being lots number 1, 2, 3, 4 and 5 and Reserve 1 and Reserve Area 2 (in common with the owner of any such lot or parcel of land) to the extent necessary to construct, operate, maintain, inspect, repair, change the size of and reconstruct bulkheads located in whole or in part on such lots or parcels of land for the purpose of maintaining and protecting the lots or parcels of land and the adjacent beach from erosion.
- (6) Jamaica reserves for itself, its successors and assigns, all of the underground water and underground water rights in, on, under and that may be recovered from any lot or parcel of land within the Subdivision exclusive of water rights in surface waters, but waives all rights of ingress and egress for the purpose of exploring, developing, drilling, mining for and producing such underground water from any such lot or parcel of land and shall have the right to recover such underground water only from any adjacent land.

The conveyance by Jamaica of any lot or parcel of land in the Subdivision by contract of sale, deed, lease or other instrument transferring any interest shall not in any event be held or construed to include any of the rights, titles and easements heretofore reserved in any of the foregoing paragraphs, nor the title to water, gas, sanitary sewer, storm sewer, drainage and gas pipes, mains and conductors and all appurtenances thereto and electric distribution, communication and television lines, wires, cables, conduits, poles and all appurtenances or any other utility or appurtenances thereto constructed by Jamaica or its agents, in, upon, along, under, over, across or through such easements, such property, or any part thereof or such streets, to serve any property within or without the Subdivision. The right to sell and lease all such rights, titles, easements, utilities and appurtenances is expressly reserved in Jamaica, its

thin or without the Subdivision. The right to sell and lease all such rights, titles, easements, utilities and appurtenances is expressly reserved in Jamaica, its successors and assigns. The foregoing reservations or rights and easements shall not, however, obligate Jamaica to exercise any of such reserved rights and easements.

The invalidity, abandonment or waiver of any one or more of the foregoing Reservations, or any sentence, clause or part thereof shall not affect the remaining Reservations or sentences, clauses or parts thereof, which shall remain in full force and effect.

RESTRICTIONS

For the purpose of creating and carrying out a uniform plan for the parceling and sale of all lots in the Subdivision as a district set aside for suburban homes and the uses ordinarily accessory thereto, the following restrictions, including without limitation restrictions, declarations, easements, limitations, charges, liens, agreements, covenants, conditions, preferential purchase rights and stipulations (hereafter collectively called the "Restrictions"), are hereby established and adopted to apply uniformly to the use, occupancy and conveyance of all of the lots in the Subdivision. The Restrictions may be incorporated to the same extent as though set forth in full in any contract of sale, deed, lease or other transfer of any interest in any property in the Subdivision by reference to this instrument; and every contract of sale, deed, lease, or other transfer of any interest hereafter executed with regard to any property in the Subdivision shall be conclusively

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deemed to have been executed, delivered and accepted subject to the following Restrictions, even if the Restrictions are not set out in full and are not incorporated by reference in such contract of sale, deed, lease or other transfer of any interest in any such property.

Spanish Grant Civic Association

The Spanish Grant Civic Association, a Texas non-profit corporation, is being organized with its initial registered office at Suite 900, Sheraton-Lincoln Center, Houston, Texas, 77002. As used hereafter the "Civic Association" shall mean the Spanish Grant Civic Association, its successors and assigns, and where appropriate the Board of Directors thereof. The Civic Association shall act according to the provisions of applicable laws, its articles of incorporation and its bylaws, as heretofore or hereafter amended, respectively. The Board of Directors of the Civic Association may designate one or more committees of Directors which may, to the extent authorized, exercise all or any part of the authority and perform any function of the Board of Directors of the Civic Association. The approval or disapproval of the Civic Association as required or provided herein shall be given in writing.

Architectural Control

No building or improvement shall be erected, placed or altered in the exterior design after being erected or placed on any lot in the Subdivision until the construction plans, landscaping plans, or other plans, specifications and a plot plan showing

the location and size of such building or improvement have been submitted to the Civic Association, its designated architectural control committee, or its designated committee of directors, with such reasonable fees as have been established by the Civic Association, and have been approved in writing by such Civic Association or its designated committee as to the harmony of external design with the existing structures on lots in the Subdivision, as to type of exterior materials and exterior paint colors, as to quality of workmanship and materials, and as to location with respect to topography and finished ground elevations. After approval in writing has been given, the erecting, placing, or altering of the buildings or improvements on any lots shall be made only in accordance with the approved plans, specifications and lot plans, unless variations or changes are also approved in the same manner.

In the event the Civic Association or its designated committee fails to approve or disapprove the plans, specifications, designs or locations within thirty (30) days after they have been submitted to the Civic Association or in the event the persons seeking approval cannot locate any members of the designated committee or the Board of Directors, or any officers or the registered agent of the Civic Association after making a bona fide effort to do so, they shall file an affidavit reciting such facts in the Deed Records of Galveston County, Texas, or in any event, if no suit to enjoin the proposed building or improvements has been commenced prior to the completion thereof, such approval shall not be required.

The Civic Association, in its discretion, may exercise the limited right to approve deviations in building area, locations,

facing of dwellings and setback in instances where, in its opinion, such deviation will result in a more commonly beneficial use. Such approval shall be filed in the Deed Records of Galveston County, Texas, and when so given and filed, shall be deemed to become a part of these Restrictions.

As used in this instrument, "Owner" includes any present or subsequent owner of any lot in the Subdivision or any part thereof or any interest therein, the purchaser of any such lot or part thereof or any interest therein under a contract of sale and any lessee occupying a lot or any part thereof.

Building and Construction Restrictions

- (1) Each lot shall be used only for single family residential purposes. The term "residential purposes" excludes, without limitation, hospitals, clinics, duplex houses, apartment houses, garage apartments, hotels and excludes commercial and professional uses whether from homes, residences or otherwise, but includes renting a single family dwelling to a single family. No building shall be erected, placed, altered or permitted to remain on any lot other than one single family dwelling and its usual accessories.
- (2) No residence shall be constructed on any lot or building site which has a living area of less than 900 square feet, excluding porches, garages, patios and the like.
- (3) Only one single family dwelling shall be allowed on each lot and no such dwelling shall be allowed on any site consisting of less than an entire lot as platted. This shall not prohibit the construction of a single family dwelling on a portion of two or more adjoining lots with the approval of the Civic Association.
- (4) Each residential dwelling shall face the front side of the lot on which it located. For the purposes of this paragraph, the "front side" of

lots number 30 through 43, both inclusive, and lots number 11 through 17, both inclusive, and lot 19 shall be deemed to be the side adjoining a street, or if any such lot has two sides adjoining a street, the side with the least frontage; the "front side" of lots number 1 through 4, both inclusive, shall be deemed to be the side adjacent to the adjoining beach and the open Gulf of Mexico; the "front side" of lots number 20 through 29, both inclusive, shall be deemed to be the side opposite the side adjoining a street; the "front side" of lots number 5 through 10, both inclusive, shall be the side which abuts Reserve Area 2 and the front side of lot number 18 shall be deemed to be the side abutting a street which has the most frontage. No building shall be located on any lot nearer to the front side of the lot than 20 feet, or nearer to either side line of the lot than 10 feet. The word "building", as used herein with reference to the building lines, shall exclude galleries, open porches, porticos, parapet walls, steps or the extension of the eaves of a roof.

- (5) Each lot which is served by a private driveway constructed over a drainage ditch or drainage way shall have open drainage under such driveway with a net drainage opening area of sufficient size to permit the free flow of water without back water, and shall be a minimum of 18-inch diameter pipe culvert.
- (6) No building material of any type shall be placed or stroed upon any lot until construction of a building or improvements is commenced. During construction, such building materials shall be placed within the property lines of the site on which the building or improvements are to be made, and shall not be placed in the street or between the pavement and the property line. Upon completion of construction such building or improvements, such building material must be immediately removed from the Subdivision.
- (7) No stumps, trees, underbrush or any refuse of any kind or scrap material from improvements being erected on any lot shall be placed on any adjoining lots, streets or easements.
- (8) The digging of dirt or the removal of any dirt from any lot is prohibited, except when necessary in conjunction with landscaping of such lot, or in conjunction with construction being done on such lot, but no fill material shall be placed on

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or dirt removed from any lot which will change the grade of such lot without the approval in writing of the Civic Association.

- (9) The bulkheading on any beach or any lot or any canal shall not be breached for any purpose without first having obtained the written approval of the Civic Association, or if any other entity or governmental agency maintains such bulkheading, written approval of such entity or agency shall be sufficient. No docks, piers, boathouses or any structures shall be constructed in the Gulf of Mexico without written approval of the Civic Association, or if any other entity or governmental agency maintains beaches, approval of such entity or governmental agency shall be sufficient.
- (10) The use of automotive tires or other unsightly material for hold-off fenders is hereby expressly prohibited.
- (11) No trailer, basement, tent, shack, garage, barn, outbuilding of any character, or any structure of a temporary character, shall be placed, erected or used on any lot at any time as a temporary or permanent residence. Temporary buildings may be used during actual construction of a dwelling on a lot, but after completion of construction shall be removed immediately. No such temporary building shall, however, be used as a residence during construction.
- (12) No residential dwelling shall be occupied unless the residence is connected to the central water system in the Subdivision. The drilling of any individual water wells on any lot shall not be permitted.
- (13) Underground electric service may be available to lots in the Subdivision. If such service is made available to a lot and an Owner of such lot desires to use such service, such Owner shall, at his own cost, furnish, install, own and maintain (all in accordance with the requirements of local governing authorities and the National Electric Code) the underground service cable and appurtenances from the point of the electric company's metering on such Owner's structure to the point of attachment at the electric company's energized secondary

junction boxes, said point of attachment to be made available by the electric company at a point designated by the electric company at the property line of each lot. The electric company furnishing service shall make the necessary electric connections at said point of attachment and at the meter. In addition, such Owner shall, at his own cost, furnish, install, own and maintain a meter loop (in accordance with the then current standards and specifications of the electric company furnishing service) for the location and installation of the meter of the electric company furnishing service to the residence constructed on such Owner's lot. For so long as underground service is maintained, the electric service to each lot shall be uniform and exclusively of the type known as single phase, 120/240 volt, 3 wire, 60 cycle alternating current.

- (14) No residential dwelling shall be occupied unless toilet facilities are installed inside such dwelling and connected to and uses the central sanitary sewer system in the Subdivision. No septic tanks, outdoor toilets, cesspools or individual disposal systems shall be constructed or used within the Subdivision.
- (15) No lot adjacent to Spanish Grant Boulevard shall have driveways or any ways of access for motor vehicles from any such lot to Spanish Grant Boulevard and no lot in the Subdivision shall have driveways or ways of access from any such lot to the right-of-way for proposed Farm to Market Road No. 3005.

General Restrictions:

- (1) No noxious or offensive trade or activity shall be carried on upon any lot nor shall anything be done thereon which may be or become an annoyance or nuisance to the Subdivision.
- (2) No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot except that dogs, cats or other household pets may be kept provided they are not kept, bred or maintained for any commercial purpose.

- (3) No signs, billboards, posters or advertising devices of any character shall be displayed on any lot without the written consent of the Civic Association, and such consent shall be revocable at any time. The right is reserved, however, to the Civic Association to permit, construct and maintain such signs, billboards or advertising devices as is customary in connection with the general sale or rental of property in the Subdivision.
- (4) 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 Owner create or operate oil wells, tanks, tunnels, mineral excavations or shafts upon or in any lot.
- (5) No vacant lot or part of the property shall be used or maintained as dumping grounds for rubbish. Trash, garbage or other waste 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.
- (6) Owners shall keep grass, vegetation and weeds cut on the particular lots of each and shall not permit the accumulation of trash, rubbish or other unsightly obstacles on the premises or on the easements, or on the alley or the streets abutting the same. Any area in the street between the pavement and the property line shall be kept clean and free of unsightly obstacles at all times.
- (7) No spiritous, 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.
- (8) No radio or television aerial wire shall be maintained on any lot forward of the front building line or encroaching upon another lot.
- (9) No permanent clothes line which may be viewed from a street shall ever be installed or maintained on any lot.

- (10) No hunting and no discharge of firearms will be allowed in the Subdivision and Jamaica reserves for itself, its successors and assigns, all hunting rights on the property in the Subdivision.
- (11) No house trailer, and no truck, trailer or commercial vehicle having a rated load capacity in excess of one ton shall ever be parked or stored longer than forty-eight (48) hours on any lot; nor shall any such house trailer, truck, trailer or commercial vehicle be parked on any street at any time other than as may be reasonably required on a delivery or pickup of goods, wares, property or material to or from lands.
- (12) No boats, boat trailers or boat rigging shall ever be parked or placed (except temporarily) nearer to the street than the building setback lines, and no automotive vehicles shall be parked on road shoulders for a period of longer than twelve (12) hours.

Maintenance Charge.

Each lot in the Subdivision, after its completion (roads, utilities) as a saleable lot by Jamaica, its assigns or designees, is hereby subjected to an annual maintenance charge of Sixty and No/100 Dollars (\$60.00) per year, payable annually in advance by the owner or purchaser of each lot on the first day of June of each year, beginning June 1, 1968, and each succeeding year thereafter until terminated as provided below, to the Civic Association, its successors and assigns, at its registered office in Houston, Harris County, Texas, for the purpose of creating a fund described below, known as the "Maintenance Fund." The maintenance charge shall be a continuing affirmative covenant and charge running with each lot and shall also be a personal obligation of each Owner running with each lot, but shall be prorated between purchasers and sellers of lots. Any transfer of a lot without payment of the

maintenance charge then due shall be subject to a lien on such lot for such amount plus an additional delinquency charge of ten percent (10%) per annum added to any charges that are more than ten (10) days delinquent, provided that until such time as Jamaica has conveyed any lot by deed, the maintenance charge for such lot may be paid in equal monthly payments without delinquency charge.

The Civic Association may from time to time reduce the maintenance charge for a specified year or number of years pursuant to resolution applying uniformly to all lots in the Subdivision. The Civic Association may from time to time permit the maintenance charge to be paid in installments. The Civic Association may also from time to time reduce the maintenance charges payable for two or more lots owned by the same Owner pursuant to resolution applying uniformly to all maintenance charges payable for two or more lots owned by the same Owner.

To secure the payment of the maintenance charge on each lot, a vendor's lien is hereby retained on each lot in favor of the Civic Association and it shall be the same as if a vendor's lien was retained in favor of Jamaica and assigned to the Civic Association without recourse in any manner on Jamaica for payment of such indebtedness. 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 moneys 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 Civic Association or 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 convenient office of such first mortgage holder by prepaid United States Mail a statement of the delinquent maintenance charges upon which proposed action is based.

The maintenance charge shall continue for each year from June 1, 1968 through June 1, 1993, and shall be extended automatically for successive periods of ten (10) years unless the owners of record of a majority of the said lots change or discontinue such charge in the same manner hereafter provided for other Restrictions.

By acceptance of a contract of sale, deed, lease or other transfer of any interest in any lot in the Subdivision, each Owner agrees and consents to the maintenance charge and the lien as provided herein.

Payments of the maintenance charge shall be used by the Civic Association (commingled with payments of maintenance charges to the Civic Association from other sections of Spanish Grant.

"Other sections of Spanish Grant" as used in this instrument shall mean any subdivisions heretofore or hereafter subdivided and designated as numbered sections of "SPANISH GRANT" according to a map or plat filed in the Plat or Map Records of Galveston County,

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Texas, which are located on Galveston Island in Galveston County, Texas, and in which each lot is subjected to an annual maintenance charge which is required to be paid to the Civic Association by applicable restrictions and reservations) to create a "Maintenance Fund." The Maintenance Fund shall be applied, so far as sufficient, toward the payment of maintenance expenses in the Subdivision and in any other sections of Spanish Grant from which maintenance charges are paid to the Civic Association and commingled in the Maintenance Fund. "Maintenance expenses" shall include expenses incurred for any of the 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 in the opinion of the Civic Association can be used by or would benefit the Subdivision or any other sections of Spanish Grant as a whole; collecting and disposing of garbage, ashes and rubbish (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 Civic Association, and the enforcement of all 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 Civic Association to keep property neat and in good order or which it considers of general benefit to the Subdivision and other sections of SPANISH GRANT. The act of the Civic Association and its expenditures of the Maintenance Fund shall be final so long as it acts in good faith.

Miscellaneous Provisions

The Restrictions are equally for the benefit of Jamaica, its successors and assigns, and for the benefit of all subsequent Owners of lots in the Subdivision and accordingly, shall be covenants running with the lands. Any Owner or lien holder of any of the property and the Civic Association shall have the power to prosecute in the appropriate court a suit at law or in equity to prevent any violation or attempted violation of the Restrictions and to recover damages for any violation or attempted violation including, but not limited to, reasonable attorneys' fees; provided, however, that this clause shall not restrict any governmental agency from acting to enforce any of the Restrictions.

The term of the Restrictions, except the Preferential Purchase Right, shall be for a period from the filing of this instrument for record in Galveston County, Texas, until the 1st day of June, 1993, after which date the Restrictions shall be automatically extended for successive periods of ten (10) years each, unless and until, by instruments executed by the then owners of

record of a majority of the lots in the Subdivision, and duly recorded in the Deed Records of Galveston County, Texas, the Restrictions are changed or discontinued, in whole or in part.

Such an instrument to change or discontinue the Restrictions shall be effective only if executed and recorded not more than five and not less than three years prior to the prescribed date of automatic extension. Such an instrument to change or discontinue the Restrictions shall not be effective until the prescribed date of automatic extension unless signed by two-thirds of the Owners of record.

Any violation of any of the Restrictions shall not have the effect of impairing or affecting the rights of any mortgagee or trustee under any mortgage or deed of trust outstanding against the lot at the time of the violation.

Reserves

The said map or plat of the Subdivision designates certain areas as "Reserve" areas which shall not be subject to the Restrictions but are reserved to Jamaica, its successors and assigns.

Reserve 1 and Reserve Area 2 as shown on said map or plat of the Subdivision are reserved for use for the purposes of ingress and egress to the beaches adjacent to the Gulf of Mexico and to the Gulf of Mexico along such courses as may be designated and marked from time to time, recreational and related facilities, and scenic views of the beaches adjacent to the Gulf of Mexico and the Gulf of Mexico. Jamaica, its successors and assigns, shall determine, in its or their discretion, the extent of development of the uses of said Reserve 1 and Reserve Area 2

within the described purposes, but said Reserves shall never be used for any other purpose. Reserve 1 and Reserve Area 2 are not dedicated hereby for use by the general public and any indulgency by Jamaica, its successors and assigns, to the public or any part thereof or any class of persons in regard to use of the same shall never be regarded as a prescriptive dedication or grant but shall be construed as a license, revocable at will.

Preferential Purchase Right

If the Owner of any lot in the Subdivision, at any time or from time to time during the twenty one (21) year period after such lot was first conveyed by Jamaica, its successors or assigns, to Owner or its predecessor in interest, either (i) receives an offer acceptable to Owner covering the purchase from Owner of all or any part or interest in such lot, or (ii) desires to transfer the ownership or the possessory rights to all or any part of interest in such lot by any means other than sale (except devise, descent, gift, and repossession by a mortgagee under a deed of trust mortgage or vendor's lien after a bona fide default), Owner shall give Jamaica, its successors or assigns, written notice thereof at 800 Sheraton-Lincoln Center, Houston, Texas (or at the then registered office of Jamaica or of its successors and assigns, or such other address as Jamaica, its successors or assigns, shall designate by supplement to these restrictions filed in the Deed Records of Galveston County, Texas) prior to consummating either of the

aforesaid transactions. Such notice shall set forth the name of the party or parties to which Owner desires to sell or otherwise transfer such interest, the terms and conditions under which such sale or transfer will be made, and the address of Owner. Jamaica, its successors and assigns, shall have, and by the acquisition from Jamaica of any lot in the Subdivision the party acquiring such lot hereby agrees that Jamaica, its successors and assigns, shall have and grants to Jamaica, its successors and assigns, a preferential right to purchase the lot or part thereof or interest therein referred to in the aforesaid written notice by giving Owner written notice of the exercise by Jamaica, its successors or assigns, of its rights hereunder at any time within the thirty (30) day period next following receipt by Jamaica, its successors or assigns, of the aforesaid written notice from Owner. If Jamaica, its successors or assigns, exercises its preferential right to purchase the lot or part thereof or interest therein in accordance with the foregoing provisions hereof, the purchase price thereof shall be either (a) the amount set forth in the aforesaid offer if such preferential right to purchase arose from an offer to purchase such lot or part thereof or interest therein, or (b) the fair market value of such lot or part thereof or interest therein if such preferential right to purchase arose from the desire to transfer the ownership of such lot or part thereof or interest therein by means other than sale. If the parties do not agree on the fair market value thereof, such fair market value shall be determined by an appraiser appointed by the District Judge of the State of Texas then senior in years of service as a district judge in the judicial districts having jurisdiction in the premises. If

Jamaica, its successors or assigns, does not give written notice of its exercise of its preferential right to purchase within the aforesaid thirty (30) day period, it shall be deemed that Jamaica, its successors and assigns, has elected not to exercise such rights as to the transaction referred to in the aforesaid notice from Owner; provided, however, such preferential right to purchase shall continue in full force and effect and shall be applicable to all succeeding transactions with respect to such lot. Jamaica, its successors and assigns, shall have the right, without the consent of Owner, to assign or otherwise transfer the aforesaid preferential right to purchase. Any sale or other transfer by Owner, its heirs, successors or assigns, to any party other than Jamaica, its successors and assigns, of any lot in the Subdivision or any part thereof or interest therein at any time during the period of time when the aforesaid preferential right to purchase is in effect, except pursuant to transactions as to which Jamaica, its successors or assigns, fails to give written notice of its exercise of its preferential right to purchase within the aforesaid thirty (30) day period in accordance with the foregoing provisions hereof, shall be void and of no force and effect, and the purchaser or other transferee thereof shall gain no rights thereunder. If Jamaica, its successors or assigns, exercises the preferential right to purchase set forth herein, the closing of such transaction shall occur in Harris County, Texas, offices of Jamaica, its successors or assigns, in Houston, Texas, on a date acceptable to Owner and Jamaica, its successors or assigns, within the thirty (30) day period next following the end of the aforesaid thirty (30) day period.

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The invalidity, violation, abandonment or waiver of any one or more of or any part of the Restrictions shall in no wise affect or impair the remaining Restrictions or parts thereof which shall remain in full force and effect.

Sharpstown State Bank, the only lienholder on the property within the Subdivision, does hereby join Jamaica and make, adopt and establish the foregoing Reservations and Restrictions (including without limitation reservations, restrictions, declarations, easements, limitations, charges, liens, agreements, covenants, conditions, preferential purchase rights and stipulations) as heretofore set forth as applicable to the property in the Subdivision.

EXECUTED as of this the 7th day of February

JAMAICA RESORT CORPORATION

BY [Signature]
President



[Signature]
Secretary

SHARPSTOWN STATE BANK

BY [Signature]
PRESIDENT



[Signature]
Cashier