

DEED RESTRICTIONS

PIRATES COVE

SECTION 6

CANALS AND NATURE PRESERVES

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DECLARATION OF COVENANTS FOR LAFFITE'S COVE AT PIRATES' BEACH CANALS AND NATURE PRESERVES

THE STATE OF TEXAS

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COUNTY OF GALVESTON

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THIS DECLARATION OF COVENANTS ("Declaration") has been executed by THE WOODLANDS CORPORATION, a Delaware corporation ("Declarant"), this 2nd day of July, 1992.

WITNESSETH:

WHEREAS, Declarant is the owner of certain real property located in Galveston County, Texas, and being more particularly described as follows, to wit:

191.42 acres of land, being all of the lands in Pirates' Cove, Section 6, a subdivision in Galveston County, Texas, according to the plat thereof recorded in Book 18, Pages 277-281, of the Map Records in the Office of the County Clerk of Galveston County, Texas, as amended by First Amending Plat recorded in Book 18, Pages 326-333, and Partial Replat recorded in Book 18, Pages 366-367, of the Map Records in the Office of the County Clerk of Galveston County, Texas (the "Property"),

also known as Laffite's Cove at Pirates' Beach; and

WHEREAS, Declarant desires to establish a uniform plan for: (i) the maintenance of canals to be located on the Property; (ii) the preservation, maintenance and management of certain of the reserves located on the Property; and (iii) the protection of trees located on the Property; and

WHEREAS, Declarant has created Laffite's Cove at Pirates' Beach Nature Society ("Society"), a Texas non-profit corporation, which shall be delegated and assigned the powers of maintaining the canals, operating and managing the reserves hereinbelow designated, administering and enforcing the covenants and restrictions of this Declaration, and collecting and disbursing the assessments and charges made pursuant to this Declaration;

NOW, THEREFORE, Declarant, acting herein by and through its duly authorized officers, does hereby adopt, establish, and impose the following covenants, conditions, restrictions, charges, and easements upon the Property, which shall constitute covenants running with the title to the land and shall inure to the benefit of Declarant, its successors and assigns, the Owners (as herein-

after defined), and the Society, and any one of said beneficiaries shall have the right to enforce these restrictions by any available legal process.

ARTICLE I

DEFINITIONS

- 1.01. "Board of Directors" and "Board" shall mean the board of directors of the Society.
- 1.02. "Bulkhead" shall mean the bulkhead to be constructed and maintained on each Canal Lot in accordance with the Permit.
- 1.03. "Canal Area" shall mean that portion of the Property comprised of the Flowage Easement, Reserve O, Reserve P, and that portion of Reserve M designated as "Channel" in the Permit.
- 1.04. "Canal Frontage Property" shall mean all portions of the Property adjacent to Reserve M, Reserve O and/or Reserve P.
- 1.05. "Canals" shall mean the navigable waterways to be excavated, constructed and maintained within the Canal Area.
- 1.07. "Declarant" shall mean The Woodlands Corporation, a Delaware corporation (successor by merger to Mitchell Development corporation of the Southwest), and its successors and assigns as the Declarant under this Declaration.
- 1.08. "<u>Declaration</u>" shall mean this Declaration of Covenants, Conditions, and Restrictions.
- 1.09. "Flowage Easement" shall mean the 30-foot flowage easement upon, over and across each Canal Lot, and upon, over and across that portion of Reserve E, as shown on the Plat.
- 1.10. "Lien Notice" shall mean the written notice given by the Society pursuant to Section 7.06 hereof, such notice setting forth details regarding an assessment unpaid by an Owner.
- 1.11. "Lot" shall mean all numbered lots in Laffite's Cove at Pirates' Beach, as shown on the Plat, and any additional lots created by replat of any Reserve or portion thereof as residential lots.
 - 1.12. "Member" shall mean each Owner.
- 1.13. "Mortgage" shall mean any mortgage, deed of trust, sale-leaseback, sale repurchase, or other bona fide financing transaction. "Mortgagee" shall mean and refer to the holder and owner of a Mortgage.
- 1.14. "Nature Preserves" shall mean Reserves D, E, F, I, and J.

- 1.15. "Notice of Ownership" shall mean the written notice filed with the Society upon the transfer or conveyance of any portion of the Property.
- 1.16. "Owner" shall mean the record owner, whether one or more Persons, of the fee simple title to each Lot and to each Reserve (excluding trustees under deeds of trust, Mortgagees, and all other holding title merely as security for the performance of an obligation). In the event any Lot or Reserve is jointly owned by two or more Persons, then each shall be fully liable hereunder as an Owner.
- 1.17. "Participating Reserves" shall mean Reserves A, B, G, H and L.
- 1.18. "Party Wall" shall mean the Bulkhead at the location of each boundary line between each Lot and/or Reserve comprising the Canal Frontage Property.
- 1.19. "Permit" shall mean the Department of the Army Permit No. 17800, dated August 9, 1990, issued by the U. S. Army Corps of Engineers to Mitchell Development corporation of the Southwest, a copy of which is attached hereto as Exhibit "A", incorporated herein by reference and made a part hereof for all purposes.
- 1.20. "Person" shall mean and refer to one or more individuals, corporations, partnerships, organizations, or other entities.
- 1.21. "Pirates' Beach and Cove Maintenance Fund Liens" shall mean the liens securing payment of maintenance charges assessed against the Lots for the Pirates' Beach and Cove Maintenance Fund and for the additional maintenance fund for Laffite's Cove at Pirate's Beach, to be established, imposed and created pursuant to additional covenants and restrictions to be imposed upon the Lots pursuant to Section 14.01 hereof.
- 1.22. "Laffite's Cove at Pirates' Beach Lien" shall mean the lien securing payment of assessments and other costs provided for in this Declaration, as established, imposed and created pursuant to Section 7.01 hereof.
- 1.23. "Plat" shall mean the subdivision plat of Pirates' Cove at Pirates' Beach, recorded in Book 18, Pages 277-281, of the Plat Records in the Office of the County Clerk of Galveston County, Texas, as amended by First Amending Plat recorded in Book 18, Pages 326-333, and Partial Replat recorded in Book 18, Pages 366-367, of the Map Records in the Office of the County Clerk of Galveston County, Texas.
- 1.24. "Property" shall mean the real property more particularly described above.
- 1.25. "Reserve" shall mean an area designated as a Reserve on the Plat.

1.26. "Society" shall mean Laffite's Cove at Pirates' Beach Nature Society, a Texas non-profit corporation.

ARTICLE II

COMPLIANCE: ENFORCEABILITY

- 2.01. Compliance with Provisions of Declaration. Each Owner shall comply strictly with the provisions of this Declaration as the same may be amended from time to time. Failure to comply with any of the Declaration's provisions shall constitute a violation of this Declaration and shall give rise to a cause of action to recover sums due for damages or injunctive relief or both, maintainable by the Declarant, the Board of Directors on behalf of the Society, or by an aggrieved Owner.
- 2.02. No Warranty of Enforceability. While Declarant has no reason to believe that any of the sections, terms, or provisions in this Declaration are or may be invalid or unenforceable for any reason or to any extent, Declarant makes no warranty or representation as to the present or future validity or enforceability of any such sections, terms, or provisions. Any Owner acquiring a portion of the Property in reliance on one or more of such sections, terms, or provisions shall assume all risks of the validity and enforceability thereof and, by acquiring a portion of the Property, agrees to hold Declarant harmless therefrom.

ARTICLE III

CANALS

- 3.01. Construction of Canals. Declarant shall cause the Canals to be constructed in compliance with all applicable governmental rules and regulations including, but not limited to, the terms and provisions of the Permit. Upon completion of construction, the Society shall thereafter be responsible for the maintenance of the Canals in accordance with the terms and provisions hereof. Declarant shall transfer, assign and convey to the Society Reserve O, Reserve P and that portion of Reserve M designated as "Channel" in the Permit. The Flowage Easement has been reserved and retained for the benefit of both Declarant and the Society pursuant to Article 13 below.
- 3.02. Maintenance of Canals. The Society shall maintain the Canals in a neat, orderly and attractive appearance, and shall maintain the water quality within the Canals sufficient to meet all applicable federal, state and local water quality criteria, including, without limitation, the Permit. The Society shall cause all man-made and natural debris to be removed from the Canals and water circulation structures connecting the Canals, at weekly intervals. At such time as the Canals are transferred to the Society by Declarant, the Society shall thereafter assume and be responsible for the water quality monitoring required by the Permit.

3.03 <u>Canal Area Use Restrictions</u>. The Canal Area shall be used solely and exclusively for the construction, operation and maintenance of navigable waterways to provide ingress and egress to and from Eckert Bayou and West Bay for all properties comprising Laffite's Cove at Pirates' Beach, as shown on the Plat; provided, however, nothing contained herein shall in any manner alter, affect or diminish the rights of the Owners of portions of the Property adjacent to the Canals to construct, operate and maintain within the Canals bulkheads, wharves, piers, boat docks and boat houses, subject to the terms and conditions of the Permit including, but not limited to, maintenance of a minimum channel width of 80 feet as required by Exhibit C, Sheet 4 of the Permit, and all other applicable laws, rules and regulations, and to otherwise exercise and enjoy any and all other rights and privileges appurtenant to their property as riparian or littoral owners.

ARTICLE IV

NATURE PRESERVES

- 4.01 <u>Management</u>. The Nature Preserves shall be administered, operated and managed by the Society in accordance with the terms and provisions of this Declaration and the Permit. The Board of Directors shall develop a plan to govern the management of the Nature Preserves in compliance with the archeological and environmental requirements of the Permit.
- 4.02 <u>Use Restrictions</u>. (a) The Nature Preserves shall be used solely and exclusively for passive, restricted-access open space, and for no other purpose. Without limiting the generality of the foregoing, no portion of the Nature Preserves shall be used for any purpose or activity other than:
 - (1) Bird watching;
 - (2) Re-interment of pre-historic native American remains removed from other parts of the Property, subject to approval by the Society and all governmental agencies having jurisdiction thereof; and
 - (3) Limited maintenance activity by the Society in accordance with the terms of this Declaration.
- (b) The existing natural vegetation shall be preserved, and no cutting of live trees or vegetation of any type shall be permitted; provided, however, the Society shall be permitted to conduct limited pruning, mowing, or related maintenance activities which the Society, in its reasonable judgment, deems necessary or advisable to maintain or enhance the existing natural vegetation and natural fresh water swales.
- (c) No clearing, paving or construction of improvements of any type or character shall be permitted within the Nature Preserves, except as follows:

- (i) the Society shall have the right to construct and maintain fences, signs, gates, barriers or other control devices which the Society, in its reasonable judgment, deems necessary to restrict access to the Nature Preserves as provided in <u>Section 4.03</u> below; and
- (ii) the Society shall have the right to construct and install pedestrian walkways, benches and interpretive exhibit signs.
- All such improvements must comply with the plan approved by the U. S. Army Corps of Engineers pursuant to Additional Note 12 of Exhibit N of the Permit.
- (d) No hunting, discharge or display of fireworks, or any other activity which is detrimental to or inconsistent with the natural habitat of the Nature Preserves, shall be permitted within the Nature Preserves.
- 4.03 <u>Limited Access</u>. The Society shall operate and administer the Nature Preserves in a manner that will preserve the existing natural environment and wildlife habitat. Access shall be limited to pedestrian traffic only, and no motorized vehicles of any type shall be permitted within the Nature Preserves, except for limited maintenance operations permitted by this Declaration. The Society shall adopt and enforce rules and regulations regarding the number of Persons that will be allowed access to the Nature Preserves at any one time.
- 4.04 Weirs. Declarant shall construct the weirs in Reserve D and Reserve E, in accordance with the Permit. After completion of construction, the Society shall at all times operate and maintain these weirs in a manner that will preserve and maintain the existing fresh water swales in their natural state.

ARTICLE V

TREE PRESERVATION

5.01 Enhancement of Existing Oak Mott. Declarant shall plant within the area designated on the Permit approximately sixteen 3-inch caliper oak trees at 40-foot centers. The Society shall care for and maintain these newly planted trees in accordance with good landscaping practices for a period of five (5) years after planting.

ARTICLE VI

THE SOCIETY

6.01. Governing Provision. The Society shall be governed by its articles of incorporation and bylaws which shall be consistent with the terms and conditions of this Declaration, and this Declaration shall rule over any inconsistencies between the Declaration and the articles of incorporation and bylaws. In connection with the execution of the Society's duties and responsibilities, the Society may provide for capital reserves, employ

employees, engage professional Persons, engage professional management to assist in the operation of the Society, and borrow funds as it deems prudent and necessary to run the affairs of the Society.

- 6.02. <u>Purposes</u>. The purpose of the Society shall be to own and maintain the Canals, to operate, manage and administer the Nature Preserves and to carry out its duties and responsibilities under this Declaration.
- All Owners shall, upon becoming Owners, 6.03. Members. automatically become Members of the Society. Membership in the Society shall be appurtenant to and may not be severed from record title to a Lot or Reserve. Ownership of a Lot or Reserve shall be the sole qualification for membership in the Society. Each Lot and each Reserve shall be entitled to one (1) vote. In the event any Lot or Reserve is jointly owned by two or more Persons, the Persons jointly owning such Lot or Reserve shall be entitled to only one vote for such Lot or Reserve. Unless otherwise stated in this Declaration, all decisions and acts of the Members shall be determined by a majority of the votes of the Members represented at a Member meeting. Members entitled to vote may give a written proxy to any other Member entitling such Member to cast votes by proxy. The membership books will be closed and adjustments in each Member's voting rights will be made on the above basis by the Board of Directors sixty (60) days prior to each annual meeting of the The Society may suspend the voting rights of any Member Members. for any period during which the assessment against the Member's Lot or Reserve remains unpaid for a consecutive sixty (60) day period. Members shall pay assessments to cover the costs of operating the Society, which operation shall include the execution of the duties and responsibilities granted to the Society by this Declaration.
- 6.04. <u>Board of Directors</u>. (a) The Board of Directors shall consist of seven directors who shall be appointed or elected as follows:
 - (1) The Members shall elect four (4) directors, being Director Positions 1 through 4; and
 - (2) The remaining three (3) directors, being Director Positions 5 through 7, shall be a marine scientist, an avian biologist and a naturalist, and shall be appointed by the directors then holding Director Positions 5 through 7 at the time a vacancy occurs.
- (b) The terms of all directors shall be three (3) years, except for the initial directors named in the Articles of Incorporation of the Society, whose terms shall be as follows:
 - (1) The initial directors holding Director Positions 1 and 5 shall serve for a term of one (1) year;
 - (2) The initial directors holding Director Positions 2 and 6 shall serve for a term of two (2) years; and

- (3) The initial directors holding Director Positions 3, 4 and 7 shall serve for a term of three (3) years.
- (c) A quorum of the Board of Directors shall consist of a majority of the directors appointed or elected. Unless otherwise stated in this Declaration, all decisions and acts of the Board of Directors shall be determined by a majority of the members of the Board of Directors voting. Should any director resign, be removed or otherwise be unable to fulfill his full term of office, a replacement director for the remainder of the unexpired term shall be selected as follows:
 - (1) If the vacancy is for Director Position 1 through 4, the interim director shall be appointed by a majority of the directors remaining in Director Positions 1 through 4; and
 - (2) If the vacancy is in Director Positions 5 through 7, the interim director shall be appointed by the directors remaining in Director Positions 5 through 7.
- (d) Compensation of Directors shall be determined by resolution adopted by the Board from time to time.
- (e) All Directors elected or appointed to Director Positions 1 through 4 shall be Owners or the duly authorized representative of an Owner that is a corporation, partnership, organization or other entity.

ARTICLE VII

COVENANT FOR ASSESSMENTS

- 7.01. Creation of the Laffite's Cove at Pirates' Beach Lien and Personal Obligation of Assessments. Declarant, for all of the Lots and Participating Reserves, hereby covenants and agrees, and each Owner, by acceptance of a deed or other instrument of conveyance to any Lot or Participating Reserve, whether or not it shall be so expressed in any such deed or other instrument of conveyance, is deemed to covenant and agree, to pay to the Society:
- (a) Annual assessments or charges for the obtaining of funds to operate the Society; and
- (b) Special assessments to be fixed, established, and collected from time to time as provided below.

The annual assessments and special assessments, together with such interest thereon and costs of collections as hereinafter provided and all other amounts for which an Owner can become liable hereunder, shall be a charge on the land and shall be a continuing lien upon the Lot or Participating Reserve against which each such assessment is made. Each such assessment or cost, together with such interest, collection costs, and reasonable attorneys' fees,

shall also be the personal obligation of the Owner of such Lot or Participating Reserve at the time when the assessment fell due. A suit to recover a money judgment (together with reasonable attorneys' fees and costs as aforesaid) for unpaid assessments or costs may be maintainable without filing or foreclosing a lien securing the same.

- Purpose of Annual Assessments. Annual assessments shall be levied by the Board of Directors and be used for the of: (i) maintaining the Canals; (ii)operating, administering and preserving the Nature Preserves; enforcement of this Declaration; and (iv) for any other purpose of the Society consistent with this Declaration. The cost for these purposes shall include: all public liability and hazard insurance premiums, costs of personnel, contractors, supplies and equipment: costs of monitoring, testing and reporting; costs of artificial aeration of the Canals; and all other costs and expenses necessary for the purposes hereof. The cost for these purposes shall also include, without limitation, any accounting costs, attorneys' fees, court costs, and similar administrative, management, or overhead expenses necessary to fulfill the purposes hereof, the operation of the Society, and the administration and enforcement of the provisions of this Declaration. The assessments imposed by the Society may include an adequate reserve fund for periodic maintenance, repairs, and replacements.
- 7.03. Special Assessments. In addition to the annual assessments authorized above, the Society may, subject to the notice provisions below, levy in any assessment year, a special assessment applicable to that year only, for the purpose of (a) defraying, in whole or in part, the cost of repairing, restoring or replacing the Canals (excluding the bulkheading and any other structures constructed by an Owner within the Canals, which shall remain the responsibility of such Owner) if the Canals or portions thereof are damaged or destroyed by hurricane, storm or other sudden catastrophe; and/or (b) implementing the contingency plan to provide for artificial aeration of the Canals pursuant to Exhibit "N", item 10 of the Permit. Any such special assessment may be adopted only at a special meeting of the Board of Directors, written notice of which shall be sent to all Members not less than twenty-five (25) days nor more than sixty (60) days in advance, with the specific purpose of the proposed special assessment being set forth therein.
- 7.04. Rate of Assessment. Both annual and special assessments shall be assessed against the Lots and the Participating Reserves in the following percentages, with the percentage allocated to the Lots being assessed uniformly against all Lots:
 - (a) Lots 88.5%
 - (b) Reserve A 3.5%
 - (c) Reserve B 3.1%
 - (d) Reserve G 2.0%
 - (e) Reserve H 1.6%
 - (f) Reserve L 1.3% 100%

The percentage of the assessment allocated to each of the above listed Participating Reserves is based on the number of linear feet of Canal frontage included within each such Participating Reserve. If any such Participating Reserve, or portion thereof, is sub-sequently subdivided and platted as Lots, the percentage of the assessments allocated to such Participating Reserve shall be reduced pro rata based on the remaining number of linear feet of Canal frontage in such Participating Reserve, the percentage of the assessments allocated to the Lots shall be increased by the amount of such reduction, and the additional Lots created out of such Participating Reserve shall be assessed uniformly with the remainder of the Lots. The Society shall make assessments based on its reasonable estimate of the Society's costs and expenses to be incurred over the annual assessment period to be assessed. If such assessment is less than or exceeds the actual costs and expenses incurred, then such deficit or excess will be debited or credited against the assessment levied for the following annual assessment period. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment at least thirty (30) days in advance of each annual assessment period. The annual assessment period shall be from January 1 to December 31 of any given year. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates for such assessments shall be established by the Board of Directors.

- 7.05. Remedies of the Society in the Event of Default. If any assessment is not paid within thirty (30) days after the due date, the assessment shall bear penalty and interest from the date of delinquency at the rate then imposed by Galveston County for delinquent real estate taxes. The Board of Directors in its discretion may also:
- (a) Accelerate the required payment date of the entire remaining annual assessment;
- (b) Bring an action at law against the Owner or Owners personally obligated to pay the same, and interest, costs, and reasonable attorneys' fees of any such action shall be added to the amount of such judgment;
- (c) File a Lien Notice against the Lot or Participating Reserve for such delinquent assessment as provided herein in this Article. No Owner may waive or otherwise escape liability for the assessments provided for herein by abandonment of its portion of the Property; and/or
- (d) Institute foreclosure proceedings of the lien securing payment thereof.
- 7.06. <u>Lien Notice</u>. To evidence its lien, the Society may prepare a written Lien Notice setting forth the amount of such unpaid assessment, the name of the Owner or the reputed Owner of the Lot or Participating Reserve, and a legal description of such Lot or Participating Reserve. The Lien Notice shall be signed by

an officer of the Society and shall be recorded among the Real Property Records of Galveston County, Texas, after having been mailed not less than ten (10) days prior to such recording to the Owner or reputed Owner of the Lot or Participating Reserve in default. Any such lien may be enforced by the foreclosure upon the Lot or Participating Reserve with respect to which the assessment has not been paid, in like manner as a lien on real property is foreclosed under the laws of the State of Texas. In any such foreclosure, the Owner or Owners of the Lot or Participating Reserve which is being foreclosed shall be required to pay the cost, expenses, and reasonable attorneys' fees in connection with the preparation and filing of the Lien Notice as provided herein and all costs and reasonable attorneys' fees incurred in connection with the foreclosure. The Society, Declarant, and any Owner shall have the power to bid on the Lot or Participating Reserve being foreclosed upon. At least sixty (60) days prior to any such foreclosure, the Society shall notify any Mortgagee with a prior lien on the portion of the Property being foreclosed of such foreclosure if such Mortgagee has furnished its address in writing to the Society.

- 7.07. Relationship of Laffite's Cove at Pirates' Beach Lien and Pirates' Beach and Cove Maintenance Fund Liens. The Laffite's Cove at Pirates' Beach Lien and the Pirates' Beach and Cove Maintenance Fund Liens shall be ranked as pari passu, with neither lien being superior or subordinate to the other regardless of the priority of their recordation. In the event of a default in the obligations secured by either such lien and the institution of proceedings to foreclosure either of such liens by the beneficiary thereof, the beneficiary instituting foreclosure proceedings shall provide written notice thereof to the beneficiary of the other lien, and, if there is then a default in each of the obligations secured by each of such liens, the proceeds of a foreclosure sale shall be applied as follows:
 - (a) First, to the expenses incurred in connection with the foreclosure sale;
 - (b) Second, in equal amounts to the beneficiary of each such lien until all obligations secured by either of such liens have been paid in full;
 - (c) Third, 100% to the beneficiary of the lien securing any obligations remaining unpaid; and
 - (d) Fourth, to the obligor(s), their heirs, personal representatives, successors or assigns.

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

or the Pirates' Beach and Cove Maintenance Fund Liens as to any future assessments or other obligations secured thereby.

- 7.08. Subordination of the Lien to Mortgages. The lien for assessments provided for in this Article shall be subordinate only to (i) liens for real estate taxes, and (ii) the lien of any Mortgage existing on the respective Lot or Participating Reserve prior to the date when the assessment becomes due and payable. Sale or transfer of any Lot or Participating Reserve shall not affect the assessment lien. No sale or transfer shall relieve such Lot or Participating Reserve or Owner from liability for any assessments which thereafter become due or from the lien thereof.
- Certificate of Compliance. Upon payment of a reasonable fee and upon written request of any Owner, Mortgagee, or prospective Owner or Mortgagee of a Lot or Participating Reserve, the Society shall issue an acknowledged certificate in recordable form setting forth the amounts of any unpaid assessments, if any, and setting forth generally whether or not said Owner is in violation of any of the items and conditions of this Declaration. Said written statement shall be conclusive upon the Society in favor of the Persons who rely thereon in good faith. statement shall be furnished by the Society within a reasonable time, but not to exceed thirty (30) business days from the receipt of a written request for such written statement, accompanied by the required fee, mailed to the registered agent or registered office of the Society, with the Society's registered agent or registered office being listed with the appropriate office of the State of Texas having jurisdiction over the formation of the Society. the event the Society fails to furnish such statement within said thirty (30) business days, it shall be conclusively presumed that there are no unpaid assessments relating to the Lot or Participating Reserve as to which the request was made and that the Lot or Participating Reserve is in conformance with all of the terms and conditions of this Declaration.
- 7.10. Notice of Ownership. The Notice of Ownership shall set forth the location of the Lot or Participating Reserve affected by the Notice, the recordation information related to the transfer or conveyance of such Lot or Participating Reserve, the prior Owner, the current Owner, and the mailing address of the current Owner. The Society shall be entitled to rely on the correctness of any Notice of Ownership filed with it, and such notice may be used for all assessment notices and any other notices to be given by the The failure of an Owner to provide the Society with an updated and current Notice of Ownership shall be considered a default of this Declaration and a waiver by said Owner of receiving any assessment notices and any other notices to be given by the Society. If the filed Notice of Ownership is not accurate and the Society undertakes the task of obtaining accurate information, the Society's costs in obtaining the correct information shall be considered an additional assessment against the respective Lots or Participating Reserves.

ARTICLE VIII

POWERS AND DUTIES OF THE SOCIETY

- 8.01. <u>Powers and Duties</u>. The Society shall have the following powers and duties (subject to the terms and conditions set forth in this Declaration) which may be exercised within its reasonable discretion:
- (a) To maintain, repair, or replace, or pay for the maintenance, repair, or replacement, of the Canals;
- (b) To operate, administer, maintain and preserve the Nature Preserves;
- (c) To take any and all actions necessary to comply with the Permit, including, but not by way of limitation, monitoring of water quality in the Canals and adjacent waters;
- (d) To employ counsel and institute and prosecute such suits as the Society may deem necessary or advisable, and to defend suits brought against the Society;
- (e) To employ from time to time such agents, servants, and laborers as the Society may deem necessary in order to exercise the powers, rights, and privileges granted to it, and to make contracts;
 - (f) To maintain insurance;
- (g) To pay market costs for all goods and services purchased by the Society;
- (h) To fix, levy, and collect assessments pursuant to Article VII hereof;
 - (i) To enforce the provisions of this Declaration; and
- (j) To conduct any other activity within the terms and conditions set forth in this Declaration or allowed under the Texas Non-Profit Corporation Act.

ARTICLE IX

RIGHTS OF MORTGAGEES

9.01. Rights of Mortgagees. A Mortgagee, upon written request to the Society, will be given written notification from the Society of any default in the performance by the Owner of a Lot or Participating Reserve relating to the Mortgage owned by the Mortgagee of any obligation under this Declaration or related Society documents which is not cured within thirty (30) days. The Mortgagee will be given thirty (30) days to cure such default should it so elect. However, the Society shall bear no liability

or responsibility for the accuracy of the information contained in any such notice.

ARTICLE X

USE RESTRICTIONS

- 10.01 <u>Clearing Restrictions</u>. No living tree having a diameter of six (6) inches or more at breast height shall be removed from any Lot, except as follows:
 - (a) Trees located within the Canal Area or within twenty (20) feet of a Canal if necessary to facilitate construction of the Canals; and
 - (b) Trees within the footprint of a house and driveway areas.
- 10.02. Cánal Water Circulation. No structure or improvement of any type, and no grading or other alteration of the terrain shall be permitted on either Lot 42 or Lot 43, of Block 2, or Lot 7 or Lot 8 of Block 6, or Canals adjacent thereto, that would impede the water circulation in the Canals and the culverts linking the Canals, which culverts will be located within the drainage easements upon, across and under such Lots as shown on the Plat.
- 10.03. <u>Bulkhead</u>. (a) As a part of the construction of the Canals, Declarant shall cause a Bulkhead to be constructed on the Canal Frontage Property, in accordance with the Permit. Such Bulkhead shall be an appurtenance to each Lot and Reserve on which it is located and shall run with the title to such Lot and Reserve.
- (b) Each Owner of Canal Frontage Property shall maintain the Bulkhead on such Owner's property in accordance with the original design and construction, both as to structural integrity and appearance, sufficient to:
 - (1) Prevent erosion of the Owner's property; and
 - (2) Provide support for the adjoining Bulkhead located on the adjacent property in accordance with the provisions of <u>Section 10.04</u> below.
- 10.04. Party Wall Agreement. Declarant, for itself, its successors and assigns, and all succeeding Owners of Canal Frontage Property, hereby declares, covenants and agrees that, after construction of the Bulkhead in accordance with the Permit, such Bulkhead at the location of each boundary line between each Lot and/or Reserve comprising the Canal Frontage Property shall constitute a Party Wall which shall be owned, used and maintained by each Canal Frontage Property Owner subject to the following:
- (a) As to each Party Wall located on a boundary line of his property, each Canal Frontage Property Owner shall hold, enjoy and be entitled to, and shall be subject to all of the duties and

obligations of, the rights, duties and obligations of the owner of a party wall easement at law;

- (b) Each Canal Frontage Property Owner shall have, own and hold an easement and right of support together with the right and privilege of joining to and using each Party Wall located on a boundary line of his property;
- (c) If any portion of the Bulkhead is damaged or destroyed by the act, default or negligence of the Owner of Canal Frontage Property, such Owner shall promptly rebuild and repair the Bulkhead on his property and shall compensate the adjoining property Owners for any damages to their respective property;
- (d) If a Party Wall shall be damaged or destroyed by a cause other than the act, default or negligence of any Owner, such Party Wall shall be repaired and rebuilt at the joint expense of each Owner entitled to the use thereof on the basis of 50% each of the net costs of restoration after the application of any sum or sums received by either Owner from insurance covering such casualty risk. Each Owner hereby grants to each adjoining Owner a lien on and against his Canal Frontage Property to secure the payment of his aliquot share of such repair and restoration costs, and each Owner hereby grants to each adjoining Owner a perpetual easement for the purposes of going on to such Owner's Canal Frontage Property to repair and restore the Party Wall in the event of damage (the provisions of this Section 10.04(d) being applicable only to Owners and Lots and Reserves entitled to the use of the damaged Party Wall);
- (e) Each Owner shall at all times keep and maintain his Canal Frontage Property adequately backfilled and vegetated so as to prevent erosion of the land behind the Bulkhead and prevent undermining of the Bulkhead by ground water, seepage, wave action or otherwise; and further, no changes shall be made in the grade of any Canal Frontage Property nor shall any building or other structure be permitted on any Canal Frontage Property which will materially increase the loads carried by the Bulkhead or otherwise materially adversely affect the structural integrity of the Bulkhead; and
- (f) The covenants and conditions of this <u>Section 10.04</u> shall run with the title to each Lot and Reserve comprising the Canal Frontage Property and shall be binding upon and inure to the benefit of each Canal Frontage Property Owner and their respective successors, administrators, executors and assigns, provided, however, that no present or future Owner of Canal Frontage Property shall be liable under the terms hereof except for their acts or defaults as the Owner of Canal Frontage Property.
- 10.05. <u>Intertidal Fringe Marsh</u>. In conjunction with the construction of the Canals and Bulkhead, Declarant shall plant the intertidal fringe marsh on the Canal Frontage Property within a strip of land that is 15 feet in width along, adjacent to, and on the seaward side of, the Bulkhead, in compliance with the Permit.

AFTER THE INITIAL PLANTING BY DECLARANT, EACH OWNER SHALL MAINTAIN THIS INTERTIDAL FRINGE MARSH WITHIN THIS 15-FOOT STRIP ON SUCH OWNER'S PROPERTY IN THE MANNER REQUIRED BY THE PERMIT, INCLUDING REPLANTING IF NECESSARY.

10.06. Remedial Action by the Society. Should any Owner fail to maintain the Bulkhead as required by Section 10.03 above, or fail to maintain the intertidal fringe marsh, as required by Section 10.05 above, after receiving 15-days written notice of such violation, the Society shall have the right, but not the obligation, to take the actions specified in the notice of such violations. The Declarant, for itself and each subsequent Owner, hereby grants to the Society the right, license, easement and authority to enter upon each Lot and Reserve for the purposes of correcting the violations as hereinabove set forth, and neither the Society nor any of its employees, agents or contractors shall be liable for trespass or any other legal or equitable violation in pursuing the remedies herein provided for. All costs and expenses incurred by the Society in effecting such remedy or abatement pursuant to this Section 10.06 will be paid to the Society by the Owner of the Lot or Reserve for which such costs and expenses are incurred upon demand. If such costs and expenses are not paid to the Society within ten days after written demand to the Owner, said amounts shall accrue interest at a rate that it the lesser of (i) 15% per annum, or (ii) the highest amount of interest allowed by applicable Further, if said costs and expenses are not paid to the Society by the Owner within thirty days after the date of written demand therefor, said costs and expenses, together with interest thereon and costs of collection and all other amounts for which an Owner can become liable hereunder, shall be a charge on the land and shall be a continuing lien upon the Lot or Reserve for which such costs and expenses are incurred in the same manner and subject to all the provisions of Article VIII hereof. All such costs and expenses, together with such interest, collection costs, and reasonable attorney's fees, shall be the personal obligation of the Owner of such Lot or Reserve at the time such costs and expenses are incurred. The suit to recover a money judgment (together with reasonable attorneys' fees and costs as aforesaid) maintainable without filing or foreclosing a lien securing the

ARTICLE XI

ENFORCEMENT OF DECLARATION AND COVENANTS

11.01. Reciprocal Rights; Covenants Run with Land. Except as otherwise provided for herein, all covenants, conditions, restrictions, charges, and easements contained herein (a) are made for the direct, mutual, and reciprocal benefit of each and every portion of the Property in favor of every other Lot and Reserve; (b) shall create reciprocal rights and obligations between the Declarant, the Society, and the respective Owners, and privity of contract and estate between the Declarant, the Society, and all Owners, their heirs, successors, and assigns; and (c) shall operate as covenants

running with the land, for the benefit of all other portions of the Property.

- 11.02. Attorneys Fees. In any legal or equitable proceeding for the enforcement of or to remedy the violation of this Declaration or any provision hereof, the party seeking to enforce the Declaration or remedy a violation hereof shall be entitled to the payment of its reasonable attorneys' fees and costs in such amount as may be fixed by the court in such proceeding.
- 11.03. By Whom Enforceable. Subject to the limitations set forth herein, these covenants may be enforced by Declarant, any Owner, and the Society, but none of whom shall have any obligation to do so nor be liable to anyone in the event of its failure to do so.
- 11.04. Specific Enforcement. All provisions of this Declaration may be specifically enforced by any court of competent jurisdiction upon petition by any party entitled to enforce them as herein provided. All remedies provided herein and/or otherwise available, at law or in equity, including injunction, shall be cumulative and not exclusive.
- 11.05. Failure to Enforce Not a Waiver of Rights. The failure of Declarant, any Owner, or the Society to enforce any of the provisions of this Declaration herein contained shall in no event be deemed to be a waiver of the right to do so thereafter nor of the right to enforce any other provision of this Declaration.

ARTICLE XII

TERM; MODIFICATION AND ASSIGNMENT OF DECLARANT'S RIGHTS AND DUTIES

- 12.01. Term. Unless extended, modified, amended, or terminated as provided in Section 12.02 hereof, every provision hereof and every covenant, condition, and restriction contained herein shall continue in full force and effect until the expiration of twenty (20) years from the date hereof, and thereafter shall, as then in force, be extended automatically and without further notice, for successive periods of ten (10) years each, unless modified or terminated in the manner set forth in Section 12.02 hereof.
- 12.02. Modification. This Declaration shall not be terminated or modified or amended if such termination, modification or amendment would either: (i) cause or result in a violation of the Permit; or (ii) cause the Society to be in violation of its corporate purposes as set forth in its Articles of Incorporation. Subject to the provisions of the foregoing sentence, this Declaration, or any provision hereof, may be terminated, extended, modified, or amended by an instrument duly executed and acknowledged by: (i) the Society; and (ii) the then Owners of a majority of the Lots and Reserves, and filed for record in the Real Property Records in the Office of the County Clerk of Galveston County,

Texas; provided, however, that as long as Declarant retains any rights, powers, duties or obligations under this Declaration, such rights and powers shall not be altered, affected or diminished, nor shall such duties and obligations be increased, without the express, written consent of Declarant.

12.03. Assignment of Declarant's Rights and Duties. Any and all rights, powers, easements, and reservations of Declarant herein contained or hereafter granted to Declarant pursuant to the terms and provisions of this Declaration may be assigned, in whole or in part, to any Person (including, but not limited to, the Society) which will assume the position of Declarant pertaining to the particular rights, powers, easements, and reservations assigned, and upon any such Person's evidencing its consent in writing to accept such assignment and assume such position, it shall, to the extent of such assignment, have the same rights, powers, easements, and reservations as Declarant and be subject to the same obligations, if any, which then exist by reason of this Declaration. Upon the occurrence of such assignment, Declarant will serve written notice thereof on all the then Owners in accordance with Section 14.05 hereof. Upon the occurrence of such assignment and the giving of such notice, Declarant, its employees, officers, directors, and agents, shall be released and relieved from any and all liability and obligations imposed upon it as Declarant by this Declaration.

ARTICLE XIII

EASEMENTS

- 13.01. Reservation of Easements. Declarant hereby grants and retains for the benefit of Declarant and of the Society and their respective Mortgagees, contractors, independent contractors agents, and assigns, permanent and perpetual easements and all rights of access on, over, and across the following described portions of the Property for the purposes hereinbelow stated, to wit:
 - (a) The Flowage Easement for the purposes of:
 - Inundating and flooding the lands covered thereby with waters from the Canals; and
 - (2) Entering upon the Flowage Easement at any time and from time to time for the purposes of performing the maintenance and other obligations of the Declarant and the Society under this Declaration including, but not limited to, the right to clear and dispose of all man-made and natural debris from the Canals.
- (b) Reserves D, E, F, I, J and K, for the purposes of exercising the rights, duties and obligations of the Declarant and the Society under this Declaration.

13.02. <u>Use of and Limitations on Easements</u>. The Owner of a portion of the Property upon which an easement is located pursuant to <u>Section 13.01</u> hereof shall be entitled to use and enjoy said easement in common with the Declarant and the Society and their respective representatives as long as such use does not interfere with the use thereof by the Declarant or the Society.

ARTICLE XIV

MISCELLANEOUS PROVISIONS

- 14.01. Further Covenants and Restrictions. The Property is a part of a project being developed by Declarant as Pirates' Beach and Pirates' Cove. Prior to the sale of Lots, Declarant may adopt, establish, impose and create additional covenants and restrictions, further restricting the use of the Lots, providing for additional assessments as a part of the Pirates' Beach and Cove Maintenance Fund, and providing for additional assessments for an additional maintenance fund for Laffite's Cove at Pirates' Beach. Such further conditions and restrictions shall be in addition to, and not an amendment to or in lieu of the covenants, conditions and restrictions contained in this Declaration. In the event of any conflict between this Declaration and such further covenants and restrictions, this Declaration shall control unless such further covenants and restrictions expressly provide that they are amending or modifying this Declaration.
- 14.02. Constructive Notice and Acceptance. Each Owner, Mortgagee, or other Person, who or which now or hereafter owns or acquires any right, title, or interest in or to any portion of the Property, is and shall be conclusively deemed to have consented and agreed to every covenant, condition, and restriction contained herein, whether or not any reference to this Declaration is contained in the instrument by which such Owner, Mortgagee, or other Person acquired such right, title, or interest. All Occupants who are not Owners are and shall be conclusively deemed to have notice of and to have agreed to and be bound by all terms and applicable provisions of this Declaration.
- 14.03. <u>Paragraph Headings</u>. Paragraph, article, and section headings, where used herein, are inserted for convenience of reference only, are not intended to be a part of this Declaration or in any way to define, limit, or describe the scope and intent of the particular paragraphs, articles, or sections to which they refer, and accordingly shall not be deemed or construed to affect the meaning of any provision hereof.
- 14.04. <u>Effect of Invalidation</u>. If any provision of this Declaration is held to be invalid by any court, the invalidity of such provision shall not affect the validity of the remaining provisions hereof.
- 14.05. <u>Written Notice</u>. Whenever written notice is required or specified herein, such written notice shall be deemed given only when (a) delivered in person, (b) deposited in the United States

mail, postage paid, and addressed to the address shown on the most recent Notice of Ownership filed with the Society, (c) facsimile transmission, or (d) express courier delivery. All such notices shall be sent certified mail, return receipt requested. Whenever actual receipt is specified or required herein, then such actual receipt shall be deemed obtained when notice is given in writing and delivered in person or otherwise actually received by the designated recipient, or three (3) days after the certified mailing where such notice is sent to the Owner at the address shown on the most recent Notice of Ownership filed with the Society.

- 14.06. <u>Cumulative Remedies</u>. The various rights, options, elections, powers, and remedies contained int his Declaration shall be construed as cumulative, and no one of them shall be exclusive of any of the others or of any other legal or equitable remedy which Declarant, the Society, or any Owner might otherwise have in the event of breach or default in the terms hereof, and the exercise of one right or remedy of any such party shall not impair its right to any other right or remedy until all obligations imposed upon any other party, Person, or entity have been fully performed.
- 14.07. Time is of the Essence. In regard to the acts, duties, obligations, or responsibilities to be performed by any essence as to such performance.

IN WITNESS WHEREOF, The Woodlands Corporation has caused this Declaration to be executed as of the date first hereinabove written.

THE WOODLANDS CORPORATION a Delaware corporation

By:
Name:
J. Leonard Rogers
Title: Senior Vice President

STATE OF TEXAS SCOUNTY OF MONTGOMERY S

This instrument was acknowledged before me on July 2

1992, by J. Ieonard Rogers
THE WOODLANDS CORPORATION, a Delaware corporation, on behalf of said corporation.

PHYLLIS FUDGE Section Property Profits State of Texas Profits State of Texas Profits Section Express COUNCIDED State Section S

Notary Public, State of Texas

Printed Name: Phyllis Fudge
My Commission Expires: 10-06-94

Mailing Address of Declarant:

The Woodlands Corporation 2201 Timberloch Place The Woodlands, Texas 77380 Attn: Mary Rose

DEPARTMENT OF THE ARMY PERMIT

Mitchell Development Corporation Permittee of the Southwest
Permit No. 17800
Issuing Office Galveston District .
NOTE: The term "you" and its derivatives, as used in this permit, means the permittee or any future transferee. The term "this office" refers to the appropriate district or division office of the Corps of Engineers having jurisdiction over the permitted activity or the appropriate official of that office acting under the authority of the commanding officer.
You are authorized to perform work in accordance with the terms and conditions specified below.
Project Description: To perform a dredging operation, place fill and construct bulkheads for a single-family canal subdivision and to create an off-site fresh water wetland mitigation area, in accordance with the attached plans in 22 sheets entitled "Pirates Cove Subdivision."
Project Location
Project Location: Eckert Bayou, between 11 and 12 Mile Roads in Galveston,
J. C.
Permit Conditions:
General Conditions:
1. The time limit for completing the work authorized ends on 31 December 1995. If you find that you need more time to complete the authorized activity, submit your request for a time extension to this office for consideration at least one month before the above date is reached.
2. You must maintain the activity authorized by this permit in good condition and in conformance with the terms and conditions of this permit. You are not relieved of this requirement if you abandon the permitted activity, although you may make a good faith transfer to a third party in compliance with General Condition 4 below. Should you wish to cease to maintain the authorized activity or should you desire to abandon it without a good faith transfer, you must obtain a modification of this permit from this office, which may require restoration of the area.
3. If you discover any previously unknown historic or archeological remains while accomplishing the activity authorized by tion required to determine if the remains warrant a recovery effort or if the site is eligible for listing in the last or the site is eligible for listing in the last or the site is eligible for listing in the last or the site is eligible for listing in the last or the site is eligible for listing in the last or the site is eligible for listing in the last or the site is eligible for listing in the last or the site is eligible for listing in the last or the site is eligible for listing in the last or the site is eligible for listing in the last or the site is eligible for listing in the last or the site is eligible for listing in the last or the site is eligible for listing in the last or the site is eligible for listing in the last or the site is eligible for listing in the last or the site is eligible for listing in the site is eligible for list or the site is eligible for listing in the site is elig

tion required to determine if the remains warrant a recovery effort or if the site is eligible for listing in the National Register ENG FORM 1721, Nov 86

of Historic Places.

EDITION OF SEP 82 IS OBSOLETE.

(33 CFR 325 (Appendix A))

- 4. If you'sell the property associated with this permit, you must obtain the signature of the new owner in the space provided and forward a copy of the permit to this office to validate the transfer of this authorization.
- 5. If a conditioned water quality certification has been issued for your project, you must comply with the conditions specified in the certification as special conditions to this permit. For your convenience, a copy of the certification is attached if it contains such conditions.
- 6. You must allow representatives from this office to inspect the authorized activity at any time deemed necessary to ensure that it is being or has been accomplished in accordance with the terms and conditions of your permit.

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Special Conditions: See attached Sheets 2a. and 2b.

Further Information:

- 1. Congressional Authorities: You have been authorized to undertake the activity described above pursuant to:
 - (X) Section 10 of the Rivers and Harbors Act of 1899 (33 U.S.C. 403).
 - (X) Section 404 of the Clean Water Act (33 U.S.C. 1344),
- () Section 103 of the Marine Protection, Research and Sanctuaries Act of 1972 (33 U.S.C. 1413),
- 2. Limits of this authorization.
 - a. This permit does not obviate the need to obtain other Federal, state, or local authorizations required by law.
 - b. This permit does not grant any property rights or exclusive privileges.
- c. This permit does not authorize any injury to the property or rights of others.
 - d. This permit does not authorize interference with any existing or proposed Federal project.
- 3. Limits of Federal Liability. In issuing this permit, the Federal Government does not assume any liability for the following:
- a. Damages to the permitted project or uses thereof as a result of other permitted or unpermitted activities or from natural causes.
- b. Damages to the permitted project or uses thereof as a result of current or future activities undertaken by or on behalf of the United States in the public interest.
- c. Damages to persons, property, or to other permitted or unpermitted activities or structures caused by the activity authorized by this permit.
 - Design or construction deficiencies associated with the permitted work.

Special Conditions:

1. PRESERVATION OF REMAINING PORTIONS OF 41GV66

The permittee will ensure that the National Register portion of site 41GV66 will be preserved and maintained. boundaries of the site are shown and described on the attached map (Sheet 21A of 21). Prior to any permitted development in the immediate vicinity of National Register site 41GV66, the boundaries of the site shall be marked by a survey crew, assisted by a professional archeologist familiar with the location of the eligible portion of 41GV66. The permittee shall securely fence the site to ensure avoidance prior to and during all construction. The avoidance area will be clearly marked on all construction drawings. Removal of the fence may be undertaken at a time when all ground disturbing activities are complete. The permittee shall contact the Corps prior to removal of the fence. A conservation easement, as that term is defined by Section 183.001 of the Texas Natural Resources Code shall be recorded covering the National Register site. conservation easement shall specifically state, as authorized by Section 183.001(1)(D), that the purpose of the easement is to preserve the archeological and cultural aspects of this real The holder of this easement shall be the property property. owner's association responsible for the management of the overall preserved area within Pirates Cove Section Six development. A third party right of enforcement shall be granted to the Texas Historical Commission. The conservation easement shall remain in force so long as site 41GV66 remains eligible for the National Register. It is expressly provided that if future development is planned for the area of the site, and impacts to 41GV66 cannot be avoided, the permittee may consult with the Corps and SHPO to develop a mitigation plan for data recovery within the eligible portion of 41GV66. completion of mitigation will suffice to terminate the conservation easement imposed on the site. Development may commence only when the mitigation is complete, and the easement

2. CURATION OF ARTIFACTS

The permittee shall ensure that all artifacts, specimens, samples, notes, photographs, negatives, and processed data (tables, maps, etc.) previously recovered from 41GV66 are stored in a manner that makes them available for future study at an appropriate institution that meets professionally accepted standards. The permittee shall provide assurance of the completion of such storage to the Corps and the SHPO within a reasonable period after issuance of the permit. If additional investigations are carried out at 41GV66, the permittee shall also ensure the storage of all materials in the same manner as specified above.

3. REPORT PREPARATION

The permittee shall ensure that a professional report of the previously conducted investigations of 41GV66 shall be completed. The permittee shall use its best efforts to complete a contract for this report within six months of the start of permitted construction. The specifications for the report shall be clearly described in a Scope of Work to be prepared by the Corps. The report shall be based upon a research design that has been approved by the Corps and SHPO: be in accordance with the Secretary of the Interior's "Standards and Guidelines for Archeology and Historic Preservation" (48 Fed. Reg. 44716-44740; Sept. 23, 1983); fully document, to the extent the available data allows, all investigations carried out at the site to date, including a full analysis and description of all data recovered; be authorized by a professional archeologist qualified in accordance with the "Professional Qualification Standards" of the Standards, and who has demonstrated expertise in the upper Texas coastal region; and be submitted in draft form to the Corps for coordination with the SHPO. The final report shall incorporate all comments, and be submitted to the Corps for distribution.

- e. Damage claims associated with any future modification, suspension, or revocation of this permit.
- 4. Reliance on Applicant's Data: The determination of this office that issuance of this permit is not contrary to the public interest was made in reliance on the information you provided.
- 5. Reevaluation of Permit Decision. This office may reevaluate its decision on this permit at any time the circumstances warrant. Circumstances that could require a reevaluation include, but are not limited to, the following:
 - a. You fall to comply with the terms and conditions of this permit,
- b. The information provided by you in support of your permit application proves to have been false, incomplete, or inaccurate (See 4 above).
 - c. Significant new information surfaces which this office did not consider in reaching the original public interest decision.

Such a reevaluation may result in a determination that it is appropriate to use the suspension, modification, and revocation procedures contained in 33 CFR 325.7 or enforcement procedures such as those contained in 33 CFR 326.4 and 326.5. The referenced enforcement procedures provide for the issuance of an administrative order requiring you to comply with the terms and conditions of your permit and for the initiation of legal action where appropriate. You will be required to pay for any corrective measures ordered by this office, and if you fall to comply with such directive, this office may in certain eltuations (such as those specified in 33 CFR 209.170) accomplish the corrective measures by contract or otherwise and bill you for the cost.

6. Extensions, General condition 1 establishes a time limit for the completion of the activity authorized by this permit, Unless there are circumstances requiring either a prompt completion of the authorized activity or a reevaluation of the public interest decision, the Corps will normally give favorable consideration to a request for an extension of this time limit,

Your algnature below, as permittee, indicates that you accept and agree to comply with the terms and conditions of this permit.

(PERMITTEE) J. V. V. C. D. V. C. D.

This permit becomes effective when the Federal official, designated to act for the Secretary of the Army, has signed below.

(DISTRICT ENGINEER)

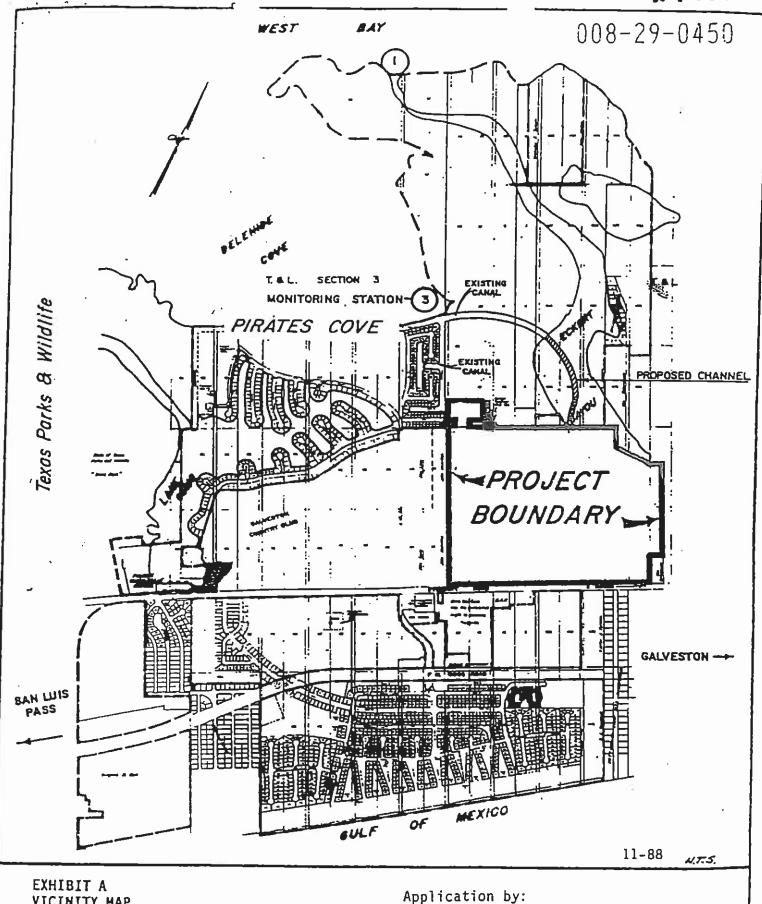
DOLAN DUNN

(DATE)

FOR COLONEL BRINK P. MILLER

When the structures or work authorized by this permit are still in existence at the time the property is transferred, the terms and conditions of this permit will continue to be binding on the new owner(s) of the property. To validate the transfer of this permit and the associated liabilities associated with compliance with its terms and conditions, have the transferee sign and date below.

(DATE)



VICINITY HAP

Pirates Cove Subdivision Section 6

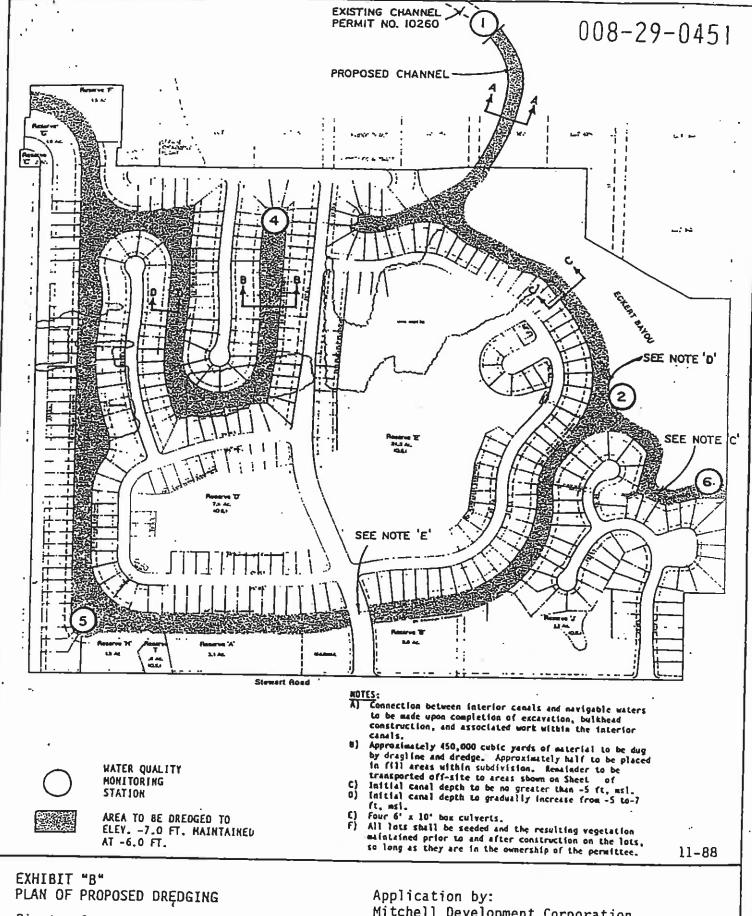
Application by:

Mitchell Development Corporation

Of The Southwest

Houston, Texas

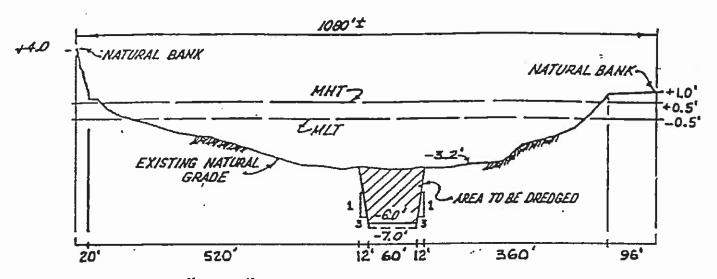
SHEET 1 of 21



Pirates Cove Subdivision Section 6

Mitchell Development Corporation Of The Southwest Houston, Texas

SHEET 2 of 21



SECTION "A-A": ECKERTS BAYOU ACCESS CHANNEL NOTE: INITIAL DREDGING OF CHANNELS INCLUDES ONE FOOT ADDITIONAL DEPTH FOR ADVANCED MAINTENANCE.

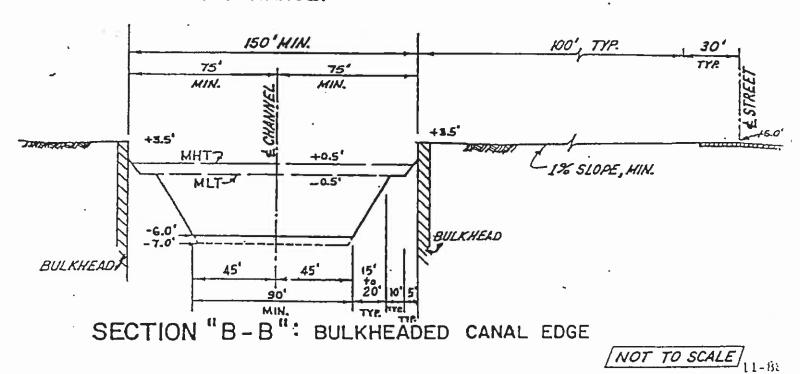
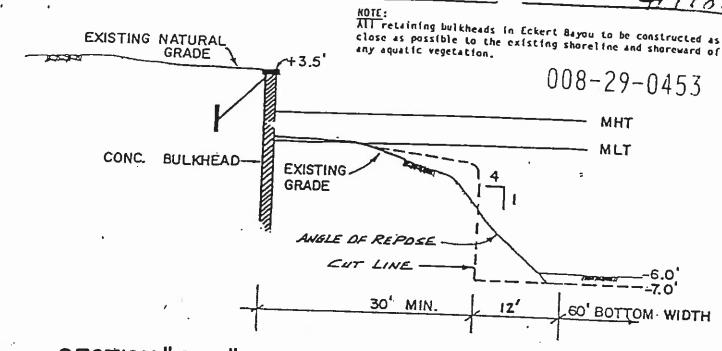


EXHIBIT C, SHEET 1 'TYPICAL CROSS SECTIONS

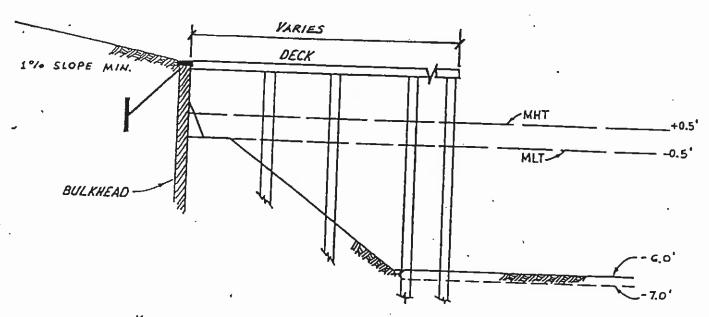
Pirates Cove Subdivision Section 6

Application by:
Mitchell Development Corporation
Of The Southwest
Houston, Texas



SECTION "C-C": BULKHEADED CHANNEL EDGE, ECKERTS BAYOU

NOT TO SCALE



SECTION "D-D": MARINA PIERS

NOT TO SCALE

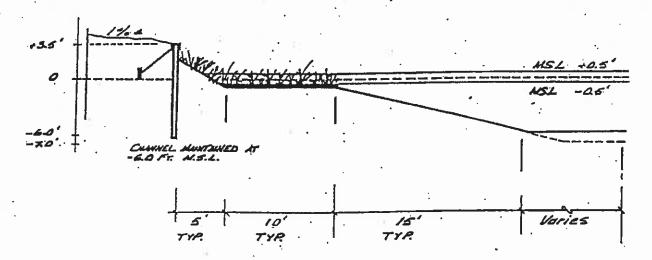
EXHIBIT C, SHEET 2
TYPICAL CROSS SECTIONS
Pirates Cove Subdivision
Section 6

Application by:
Mitchell Development Corporation
Of The Southwest
Houston, Texas

NOTES:

A) Intertidal fringe marsh will be constructed and permanently maintained at the back edge of each lot. This mitigation will begin concurrent with initiation of project construction and be completed within one year of connection of the canals to navigable waters.

B) Acceptance of this mitigation will be based on 70% cover of smooth cordgrass (Spartina alterniflora) determined by a random point-frequency method at the 80% confidence level throughout each marsh planting area. If coverage of smooth cordrass is not acceptable within one year of planting, then remedy through regrading and/or replanting will be required until mitigation, as specified above, is achieved. If natural smooth cordrass marshes adjacent to the project area have coverage of less than 70%, then the required created marsh coverage may be reduced to a comparable figure.

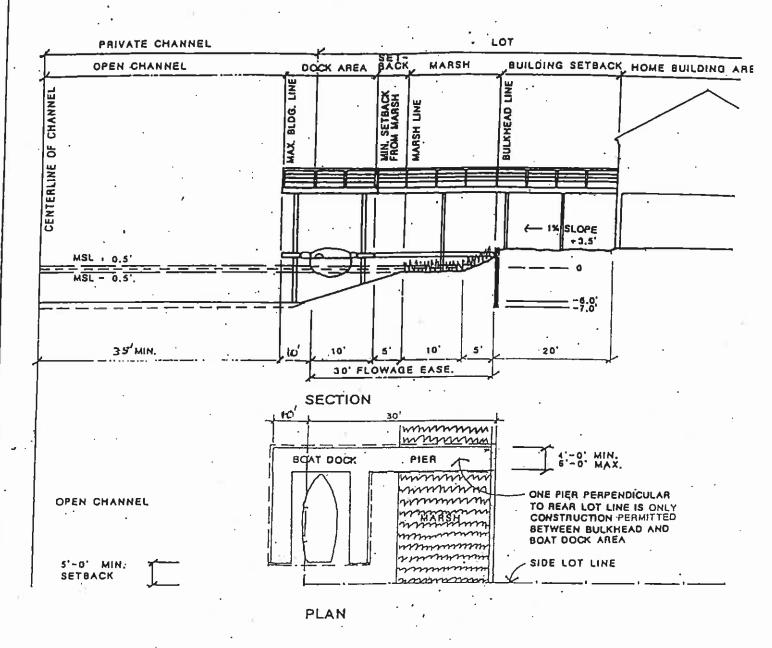


TYPICAL CANAL EDGE CONDITION

N.T.S. 11-88

EXHIBIT C, SHEET 3
TYPICAL CROSS SECTIONS
Pirates Cove Subdivision
Section 6

Application by:
Mitchell Development Corporation
Of The Southwest
Houston, Texas



BOATDOCK/PIER DESIGN CRITERIA

11-88

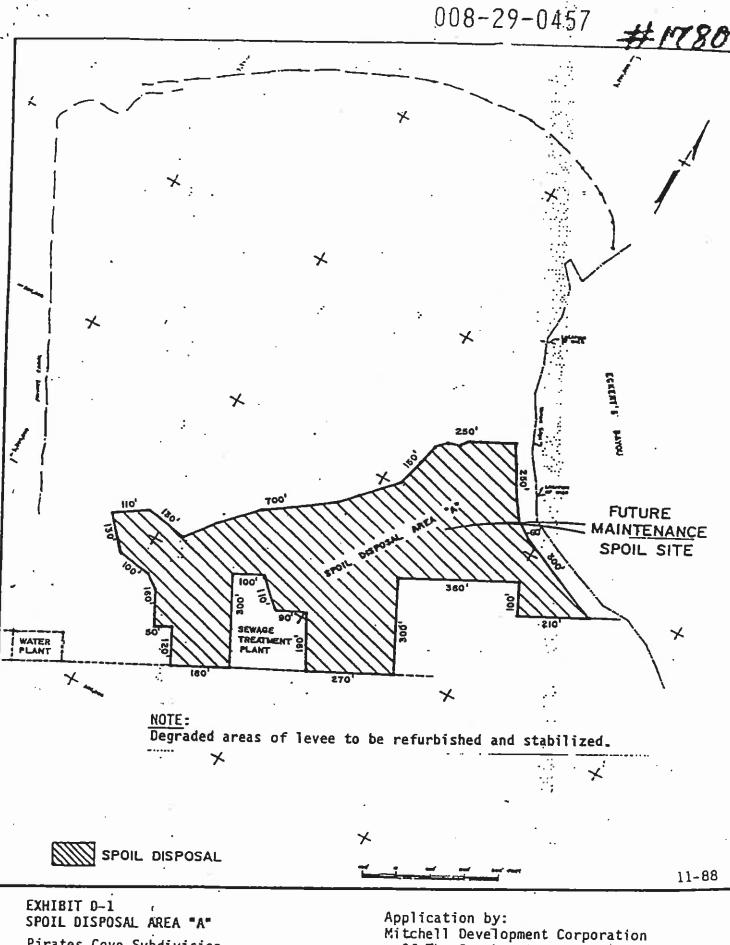
EXHIBIT C, SHEET 4 TYPICAL CROSS SECTION - BOAT DOCK Pirates Cove Subdivision Section 6

Application by: Mitchell Development Corporation Of The Southwest Houston, Texas SHEET 6 of 21 October 1993

#17800 008-29-0456 BAY WEST SECTION 3 AREA PROJECT BOUNDARY SPOIL AREA NOTE: SPOIL AREAS DESIGNATED 'A', '8', 'C' ABOVE ARE GENERAL IN NATURE. FOR MORE OCTAIL PLEASE SEE EXHIBITS D-1, D-2, GULF .E-0 OHA 11-88 NTS

EXHIBIT D CONTROL OF SPOIL DISPOSAL AREAS
Pirates Cove Subdivision Section 6

Application by:
Mitchell Development Corporation
Of The Southwest
Houston, Texas ____ SHEET 7 of 21



Pirates Cove Subdivision Section 6

Of The Southwest Houston, Texas SHEET 8 of 21

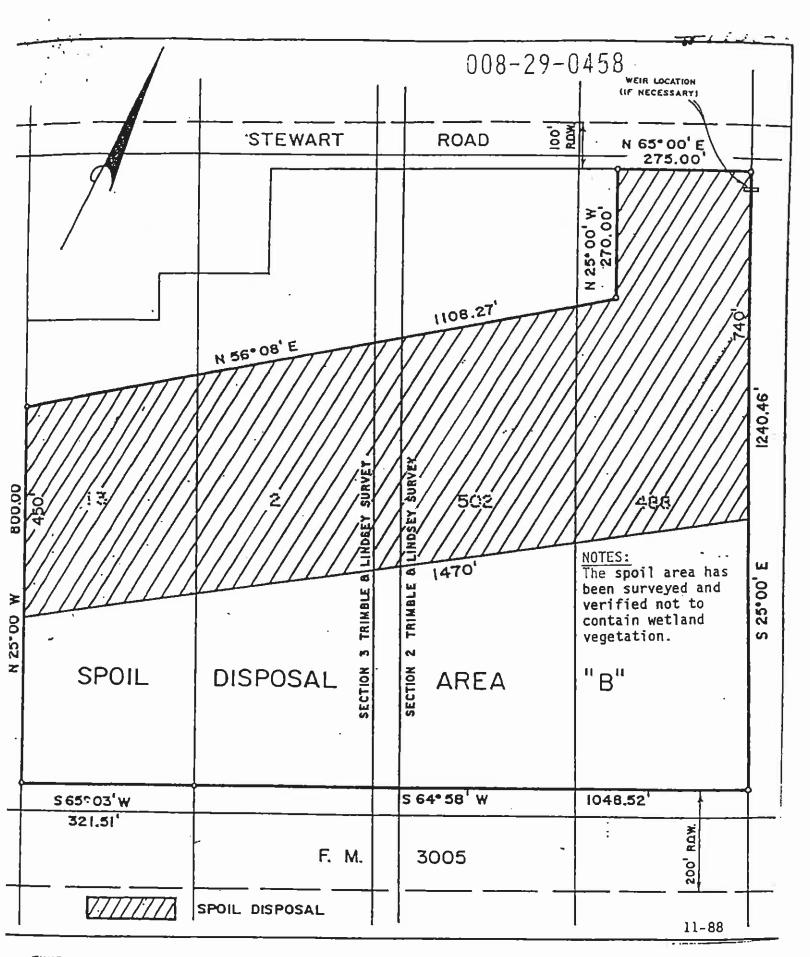
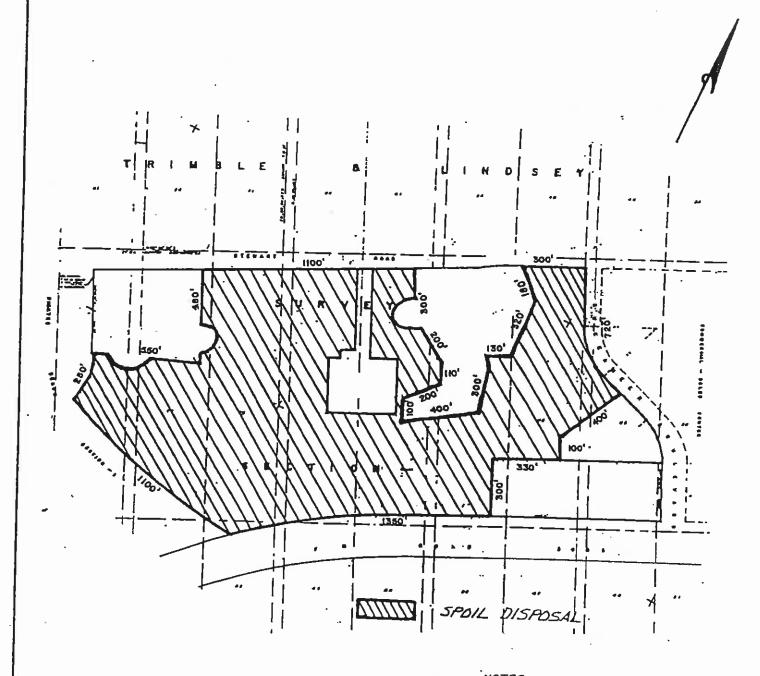


EXHIBIT D-2
SPOIL DISPOSAL AREA "B"
Pirates Cove Subdivision
Section 6

Application by:
Mitchell Development Corporation
Of The Southwest
Houston, Texas
SHFFT 9 of 21

008-29-0459



NOTES:
The spoil area has been surveyed and verified not to contain wetland vegetation.

11-88

EXHIBIT D-3
SPOIL DISPOSAL AREA "C"
Pirates Cove Subdivision
Section 6

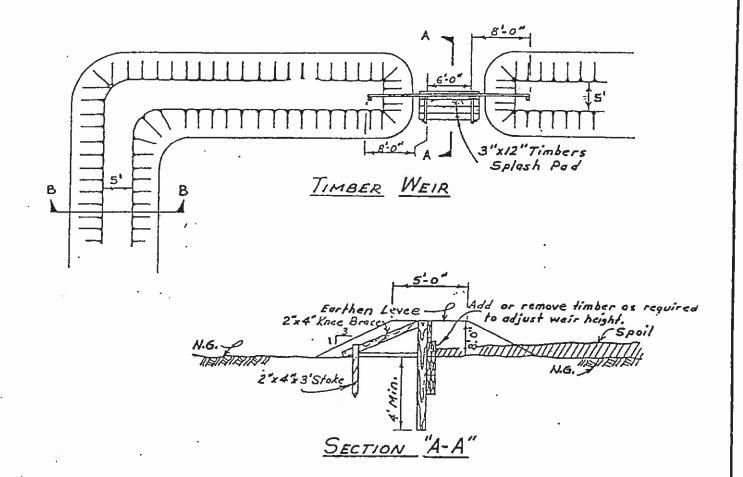
Application by:
Mitchell Development Corporation
Of The Southwest
Houston, Texas

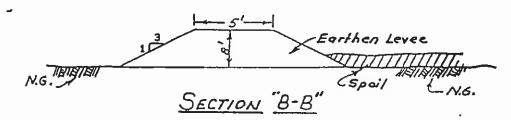
SHEET 10 of 21

.008-29-0460

NOTE:

Weir to be operated to avoid the discharge of solids into waters of the United States.





NOTE: WEIR CONSTRUCTED IF DREDGING IS PERFORMED HYDRAULICALLY.

11-88

EXHIBIT D-4
TYPICAL LEVEE DETAIL - SPOIL DISPOSAL AREA
Pirates Cove Subdivision
Section 6

Application by:
Mitchell Development Corporation
Of The Southwest
Houston, Texas

SHEET 11 of 21

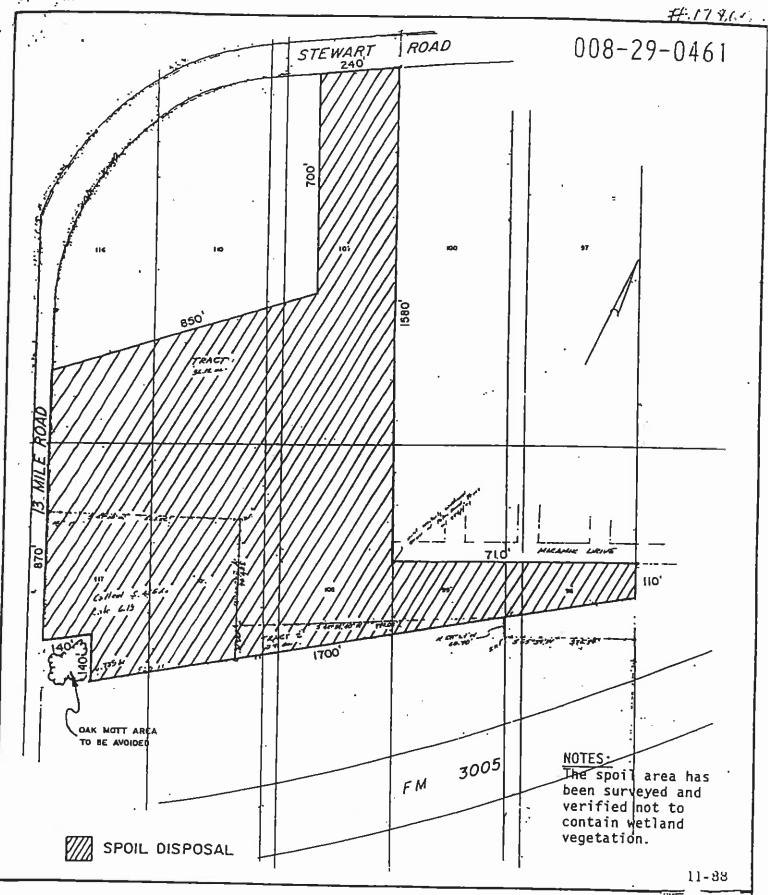


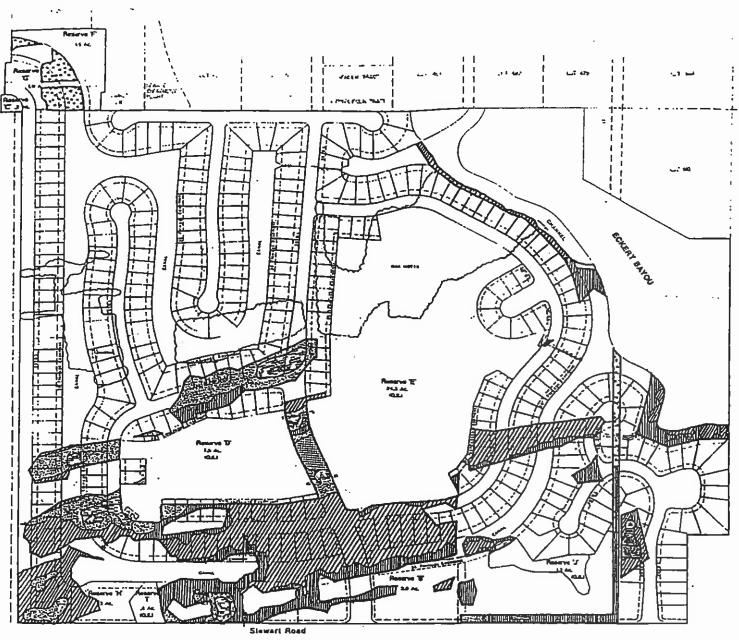
EXHIBIT "D-5"
SPOIL DISPOSAL AREA "D"

Pirates Cove Subdivision Section 6

Application by:
Mitchell Development Corporation
Of The Southwest
Houston, Texas

SHEET 12 of 21

008-29-0462



VEGETATION TYPES WITHIN IMPACTED WETLAND AREAS



Giant Bullrush Marsh



Rattlebush Shrub Swamp



Black Needlerush Harsh



Smooth Cordgrass Harsh



Ponds '



Black Needlerush/ Marsh Elder Assoc. .



Water Hyssop/ Spikerush Assoc.



Salt Cedar

11-88

EXHIBIT "H"
DEVELOPMENT IMPACTS

Pirates Cove Subdivision Section 6

Application by: Mitchell Development Corporation Of The Southwest Houston, Texas

SHEET 13 of 21

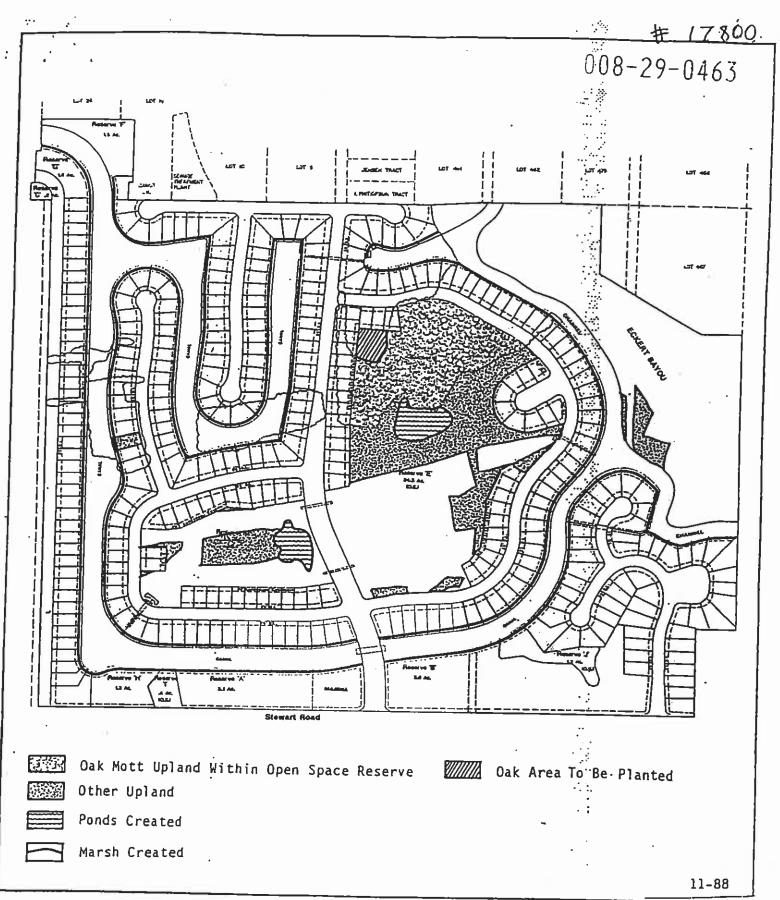
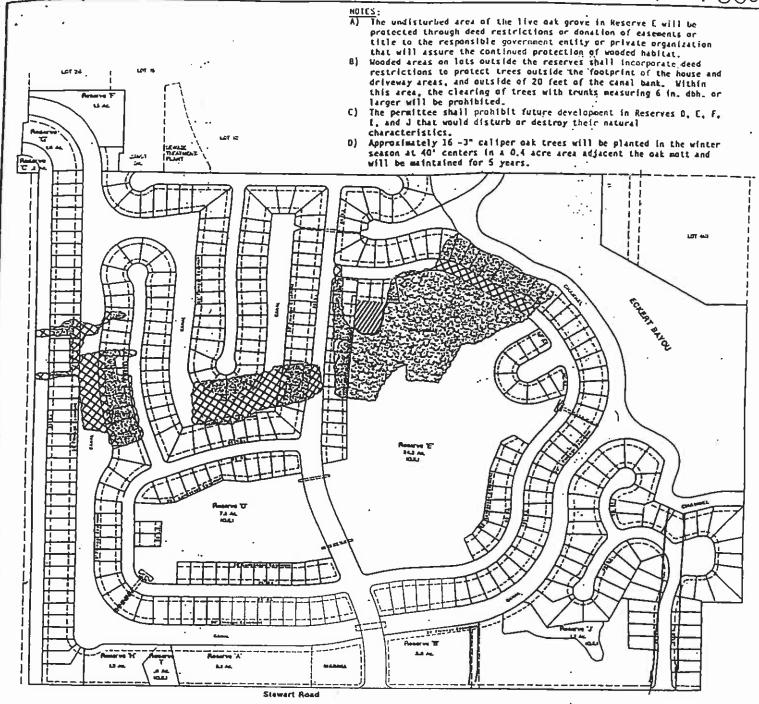


EXHIBIT "I" MITIGATION AND UPLAND CONSERVATION

Pirates Cove Subdivision Section 6

Application by: Mitchell Development Corporation Of The Southwest Houston, Texas

SHEET 14 of 21



OAK MOTT DISPOSITION .

Within Open Space Preserve (6.5 ac.)

Oak Area To Be Planted (0.4 ac.)

Within Landscape Easement (0.2 ac.)

Within Lot (4.6 ac.)

Within Canal or Roadway (4.7 ac.)

11-88

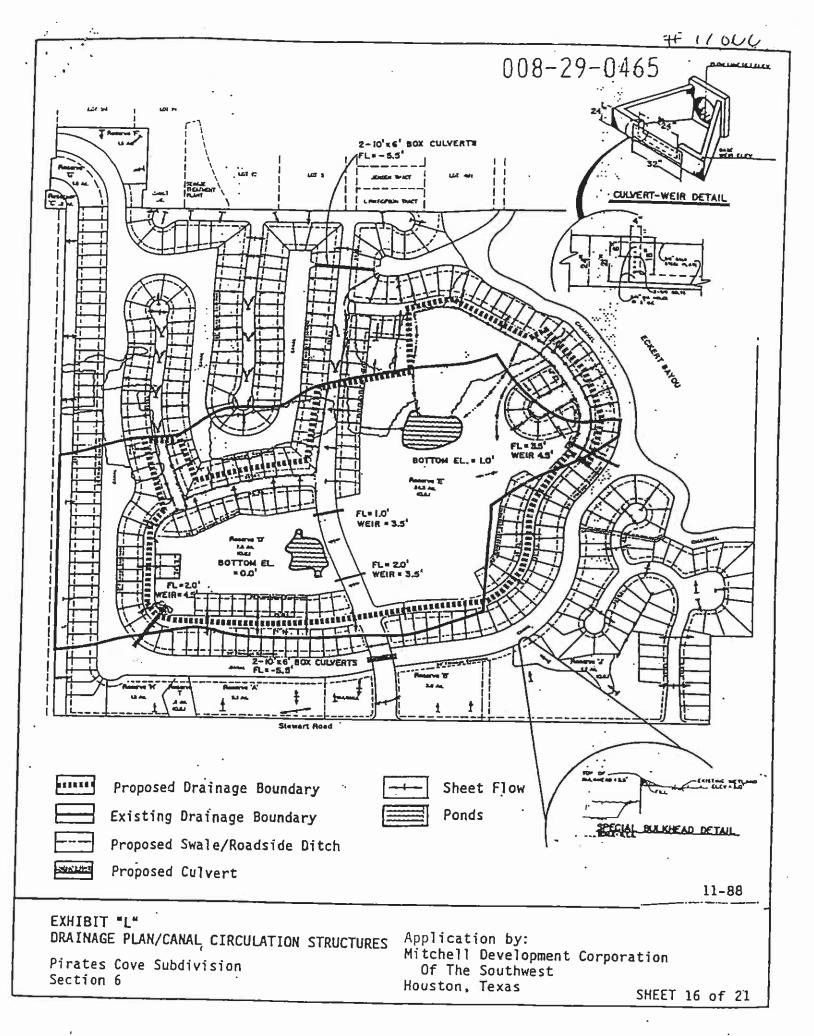
EXHIBIT "K"
DEVELOPMENT IMPACT ON OAK HOTT.

Pirates Cove Subdivision Section 6 Application by: Mitchell Development Corporation

Of The Southwest

Houston, Texas

SHEET 15 of 21



PERMIT NO. 17800 EXHIBIT N PIRATE'S COVE SUBDIVISION SECTION 6

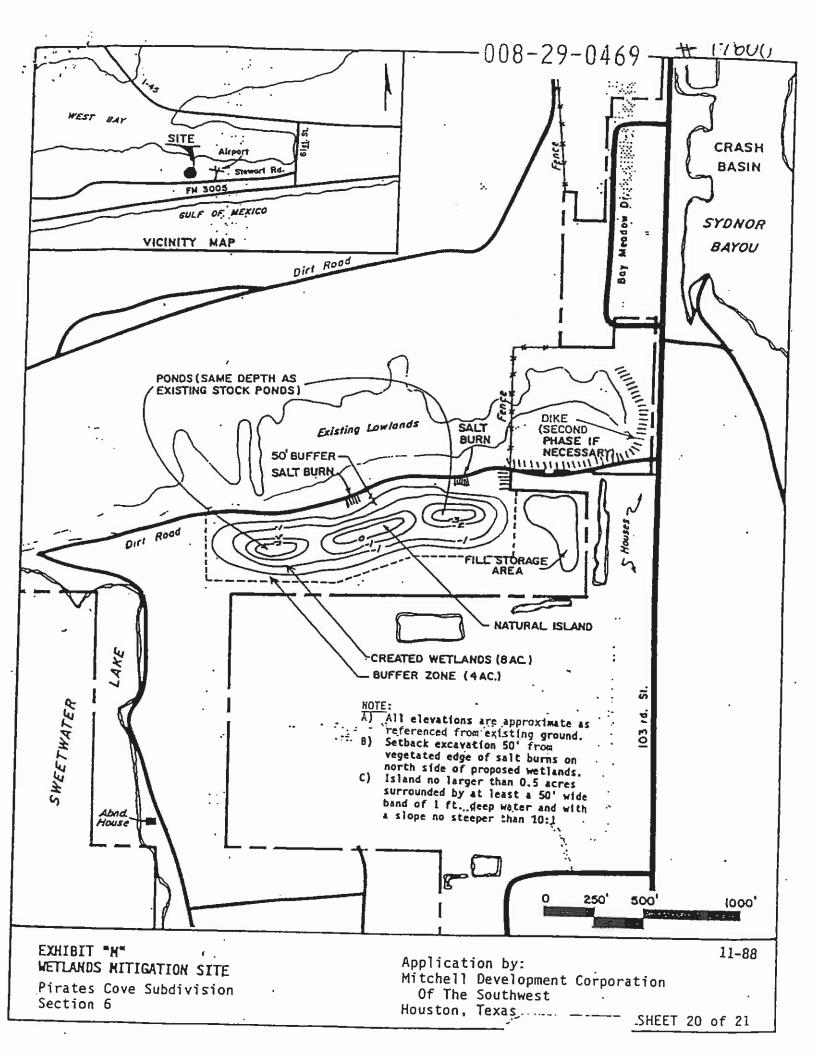
Additional Notes

- 1. The ownership and financial responsibility for maintaining the reserves and canals will be disclosed to all potential property owners.
- 2. Effective 30 days after the permit issuance date, a Water Quality Monitoring Program will be instituted by the permittee. The permittee will bear the entire initial cost of the program, with such responsibility eventually being transferred to the property owners' association. The program shall be supervised by an independent testing firm chosen by the permittee and approved by the Corps of Engineers. Sample collections, however, may be accomplished by adequately trained employees of the permittee. Sampling stations 1, 2, 3, and 7 (see Exhibits A and B) will become active collection sites within 30 days of permit issuance. Stations 4, 5, and 6 will become active only after the canal system is connected to the navigable waters of the United States. Baseline sampling shall be limited to a maximum of one year.
 - 3. The monitoring program will include the measurement of the following parameters at the indicated intervals:
 - (1) Daily, at 6:00 a.m.--temperature (degrees centigrade), salinity (ppt), pH, tide stage (msl datum), Secchi disc reading (cm), dissolved oxygen (ppm).
 - (2) Weekly, each Monday, or Tuesday if Monday is a holiday--oil and grease, coliform bacteria, nitrogen (nitrates, mg per liter), phosphorus (total--micrograms per liter), sulfides (mg per liter).
 - (3) Monthly--chlorinated hydrocarbons (micrograms per liter).
- 4. All tests will be conducted at the indicated intervals between June 1 and September 15. The oil and grease and chlorinated hydrocarbon measurements will be conducted monthly over the remainder of the year.
- 5. All measurements are to be made in accordance with procedures given in the latest published edition of "Standard Methods for the Examination of Water and Wastewater," American Public Health Association, Inc., publisher.

- 6. Water samples will be taken at the locations specified in Exhibits A and B, not more than 1 ft. above the existing bottom, at a midchannel location, except at Stations 2, 3 and 7, which are located outside of the channel.
- 7. Test weeks shall run from Tuesday through the following Monday. On a weekly basis, not later than the Thursday following the test week, the results of the Water Quality Monitoring Program shall be furnished on forms provided to the Corps of Engineers, ATTENTION: CESWG-CO-RC, P. O. Box 1229, Galveston, Texas 77553-1229. Copies of the forms shall also be furnished to the National Marine Fisheries Service in Galveston, the U.S. Fish and Wildlife Service in Houston, the U.S. Environmental Protection Agency in Dallas, and the Texas Parks and Wildlife Department in Seabrook.
- 8. The permittee or its designee shall be required to maintain a water quality within the canal system that meets all applicable Federal, State and local water quality criteria for this particular estuarine system. If, however, Stations 2, 3 and 7 exceed (or fail to meet for dissolved oxygen) the applicable criteria, then levels in the canals may exceed (or fail to meet for dissolved oxygen) the criteria, but not to a greater degree than Stations 2, 3 and 7.
- 9. Based on the data provided through the Water Quality Monitoring Program, changes or modifications in the program may be required at any time during the life of the development. The program will be reviewed every six months by Galveston District personnel for possible modification of the monitoring operations or the development itself.
- 10. The permittee shall devise a contingency plan that will provide for artificial aeration of the canal system, should the dissolved oxygen levels fall below those levels found at the mouth of Eckert Bayou. Details of the plan shall be provided to the Galveston District Engineer, within one year of the permit issuance date, but no later than 180 days prior to connection of the canal system to navigable waters.
- 11. The permittee shall remove all manmade and natural debris from the canal system and water circulation structures at weekly intervals. This removal shall be indicated on the Water Quality Monitoring Program report sheet. The permittee shall retain the right to transfer this responsibility to a public entity or a quasipublic residents' or property owners' association.
- 12. A property owners' association will be formed within one year of issuance of the permit. The association will be governed by a Board of Directors with direct responsibility for the maintenance of the canal and reserves. The Board will be composed of seven members, serving

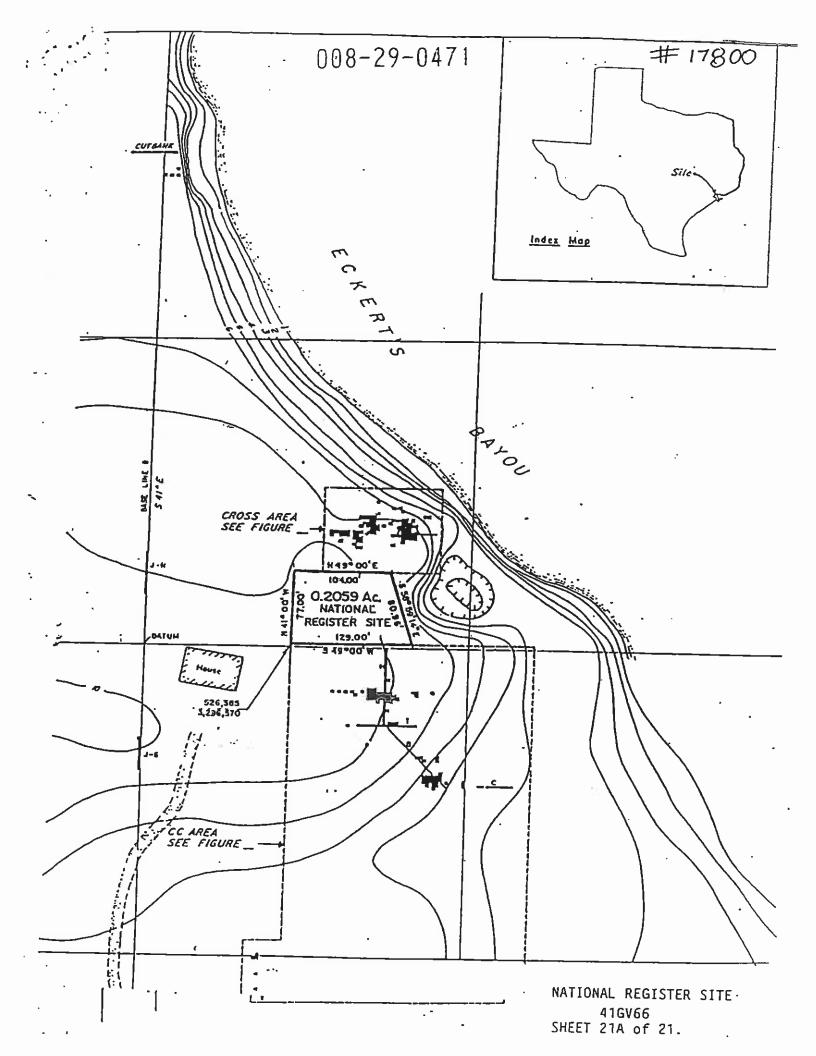
staggered terms. Four members of the Board will be property owners, elected by a vote of all property owners. The other three Board members would be scientists, one being a marine scientist, one an avian biologist, and one a naturalist. The original scientific board members will be selected by agreement of the Corps, the applicant, and Federal and State wildlife agencies. Thereafter, scientific vacancies will be filled by vote of the three serving scientific members. The Board of Directors will develop a plan to govern the management of the reserve areas. This plan will be submitted to the Corps of Engineers for approval, which will include coordination of it with Federal and State resource agencies. The plan will be in place before the site is accessible to the general public.

- 13. Any future maintenance dredging of the canal system shall not result in a canal depth to exceed -6 ft, msl, except in the dead end channel to the east, which shall be maintained no deeper than -4 ft, msl, in Section A and will gradually increase from -4 to -6 ft, msl in Section B.
- 14. Runoff in the subdivision will be directed primarily into freshwater wetlands on the site. The runoff not entering the freshwater wetland system will be dispersed through "between lot" swales and sheet flow across the lots into the canals.
- 15. The permittee shall prohibit the construction of structures in the immediate vicinity of the culvers linking the canals, which would impede water circulation in the canals.
- 16. Any responsibility of the permittee under this permit may be transferred to a public entity or quasipublic residents' or property owners' association.
- 17. All contractors shall be closely supervised to assure compliance with all conditions of this permit. Reserve areas will be clearly marked on all construction drawings as areas to be avoided.



NOTES: FRESHWATER WETLAND MITIGATION

- 1. The construction of freshwater swale habitat shall be initiated concurrent with land development activities impacting freshwater wetlands and shall be completed within 9 months from that date.
- 2. The buffer zone around the wetland will not be mowed, grazed, used for parking, or become part of a road-side ditch or shoulder. The dirt road between the existing wetland and the wetland to be created will not be improved.
- 3. The created wetland will be monitored for one year as follows:
 - a. First week of every other month—maximum depth in each of the three ponds in the existing wetland and in each of the two ponds in the created wetland; depth of the shallow water area of the existing and created wetlands; and, salinity in the existing and created wetlands.
 - b. After first year--ratio of emergent vegetation to open water.
- 4. Standards of success for the mitigation are as follows:
 - . a. Ponds and shallow water areas in the created wetland should have standing water at least 75% of the time that those in the existing wetland do.
 - b. The salinity in the created wetland should average no greater than five parts per thousand higher than that in the existing wetland.
 - c. At least 50% of the aquatic area of the created wetland should be vegetated with emergent obligate hydrophytic vegetation.
- 5. If, after one year, it is determined that the habitat quality of the created wetland is not acceptable because of the lack of standing water, then dike construction, as shown on the plans, or other appropriate remedial measures will be required. If less than 50% of the aquatic area is vegetated appropriately, then supplemental planting will be done.
- 6. Monitoring will continue until standards of success are met.



TEXAS WATER COMMISSION

104 APR 1988

PB

Paul Hopkins, Chairman
John O. Houchins, Commissioner
B. J. Wynne, III, Commissioner



J. D. Head, General Counsel Michael E. Field, Chief Examiner Karen A. Phillips, Chief Clerk

Allen Beinke, Executive Director

March 31, 1988

Mr. Bruce Bennett Galveston District SWGCO-RP Corps of Engineers P.O. Box 1229 Galveston, TX 77553

RE: USCOE Permit No. 17800
Mitchell Development Corporation
of the Southwest
Galveston County
Tributary of TWC Segment No. 2424

Dear Mr. Bennett:

In response to the Public Notice or application for the referenced applicant dated June 20, 1986 and June 25, 1987 this certification is issued pursuant to the provisions of Section 401 of the Clean Water Act. Contingent upon completion of the project as described (summarized in Attachment I) and within the provisions included in Attachment I, we certify that the project will not cause violation of established Texas Water Quality Standards. This certification is limited to those water quality considerations under the jurisdiction of this agency according to the various statutes which this agency administers.

Our review has been primarily of the information provided by the applicant or the Public Notice. No review of property rights, location of property lines, nor the distinction between public and private ownership has been made and this certification may not be used in any way with regard to questions of ownership.

We appreciate your cooperation in this matter, and if we can be of additional assistance, please contact Mr. Charles Eanes of 512/463-8245.

Sincerely.

Allen Beinke

Executive Director

Attachment

cc: Mitchell Development Corporation of the Southwest 2001 Timberlock Place The Woodlands, TX 77380

Mrs. Sharon M. Mattox Vinson & Elkins 300 First City Tower 1001 Fannin Houston, TX 77002-6760

TWC-SER/Deer Park Office

00808



DEPARTMENT OF THE ARMY

GALVESTON DISTRICT, CORPS OF ENGINEERS
P.O. BOX 1229

GALVESTON. TEXAS 77553-1229

REPLY TO ATTENTION OF: AUG 0 9 1990

Evaluation Section

SUBJECT: Permit - 17800

Mitchell Development Corporation of the Southwest 2001 Timberloch Place The Woodlands, Texas 77380

Gentlemen:

The above numbered permit has been approved and a signed copy is enclosed for your retention.

Also enclosed is ENG Form 4336 and a copy of "Notice to Permittees" which provides important information for permit administration. Construction or work under the permit should be coordinated with the Area Engineer indicated below.

Sincerely,

Dolan Dunn

Chief, Evaluation Section

Enclosures

Copies Furnished:

Commander, Eighth Coast Guard District (oan), Room 1330, Hale Boggs Federal Building, 500 Camp Street, New Orleans, Louisiana 70130 w/encl

Director, Atlantic Marine Center, National Ocean Service, Attn: N/CG2442xl, 439 West York Street, Norfolk, Virginia 23510-1114

Area Engineer, Fort Point Area Office, P.O. BOx 1229, Galveston, Texas 77553-1229 w/encl

TEXAS WATER COMMISSION

DREDGE AND FILL CERTIFICATION - ATTACHMENT I

RE: USCOE Permit No. 17800 Mitchell Development Corporation of the Southwest

WORK DESCRIPTION: As described in the work section of the Public Notice dated

June 20, 1986 and June 25, 1987.

Necessary Permit Conditions or Explanation for Waiver: SPECIAL PROVISIONS:

> An average Dissolved Oxygen limitation of 3 mg/l shall be maintained within the canal system.

b. On a semiannual basis, the applicant shall submit a summary of the tests detailed in Exhibit N. item i of Public Notice 17800 dated June 25, 1987, to the Texas Water Commission, Attn: Water Quality Division, P.O. Box 13087 Capitol Station, Austin, TX ,78711-3087.

STANDARD PROVISIONS:

GENERAL

This certification is contingent upon the work being accomplished as described in the public notice or certification application and according to the following provisions. This certification is valid for any extension of time, minor revision or maintenance dredging subsequent to the original COE permit but expires concurrently with the final expiration of the applicable United States Army Corps of Engineers permit. Significant changes in the method or location of spoil disposal may require amendment or reissue of this certification.

DISCHARGE

- a. The discharge of oil, gasoline, other fuels or materials capable of causing pollution is prohibited.
- Commercial or industrial facilities must provide for containment of any spillage which may occur during loading or unloading operations, and for prevention of leakage of chemical products or other contaminants into State waters.
- c. Major off-shore dredge rigs and/or those staying off-shore for extended periods must retain sanitary wastes for disposal onshore in some legal manner.
- Marinas and similar facilities shall arrange docks and appurtenances so that shoreside waste receiving and treating facilities can be added to service boats for both sanitary and other wastes as may be required. Provision of these facilities is not required by this certification but arrangements and/or space shall be such that they can be added conveniently.
- Materials resulting from the destruction of existing structures shall be removed from the water or areas adjacent to the water and disposed of in some legal manner.

TURBIDITY

Adequate methods shall be used to minimize turbidity in state waters during all phases of the project. This includes (as applicable) dredge, decant, fill and 0.9899 construction. Additionally, adequate methods shall be used to insure minimum turbidity from near and long term erosion from fill, spoil and/or devegetated areas during and following completion of the project.

4. DREDGING AND/OR EXCAVATION

- a. This certification does not authorize dredging, excavation, or spoil disposal other than as detailed in the public notice or certification application or as provided for in "Special Provisions".
- b. If the spoil disposal area is not designated in the public notice or certification application, spoil must be placed in areas approved by the United States Army Corps of Engineers and/or Texas Parks and Wildlife Department.
- c. Hydraulically dredged materials shall be placed in a leveed disposal area having a controlled spillway. A minimum of one hour residence time shall be provided for the spoil's liquid phase. Materials pumped to the area shall be introduced at a point calculated to maximize settlement prior to overflow from the spillway. Liquid overflowing the spillway shall be generally returned to the channel or area being dredged. Hydraulic dredge pipelines shall be periodically inspected for leakage during pumping and any leaks deteched shall be corrected before continuing.
- d. If contaminated spoil that was not anticipated or provided for in the permit application is encountered during dredging, dredging operations will be immediately terminated and the Texas Water Commission District Office contacted.

PIPELINES

Following installation of pipelines across waterways, waterway bottom and natural shoreline contours shall be restored, to the degree reasonable, to their original configuration and revegetated or otherwise stabilized. Signs shall be posted at crossing points on each side of the waterway identifying the pipeline owner and emergency telephone numbers. Pipelines will be periodically inspected for leaks.

FILED FOR RECORD 92 JUL -8 PM 2: 17

DALVESTON COUNTY TEXAS

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

JUL 8 1992

COUNTY CLERK GALVESTON CO., TEXAS