

BYLAWS OF
CAPTAIN'S COVE RESORT ASSOCIATION
A TEXAS NON-PROFIT CORPORATION

Captain's Cove Resort Association is a Texas non—profit corporation having as its primary function the administration of the Condominium Regime of Captain's Cove Resort, a Condominium, in accordance with the "Declaration Establishing a Condominium Regime, Covenants, Conditions and Restrictions," ("the Declaration") recorded or to be recorded in the Condominium Records of Galveston County, Texas, which is located at 7600 Seawall Boulevard, Galveston, Texas; and in particular to serve all of the functions of the "Council of Co—Owners" provided for in the Texas Condominium Act (Article 1301a, Revised Civil Statutes of the State of Texas).

ARTICLE I
NAME AND OFFICES

- 1.01 Until the Board of Directors otherwise determine, the registered office of Captain's Cove Resort Association required by the Texas Non—Profit Corporation Act to be maintained in the State of Texas, shall be 7600 Seawall Boulevard, Galveston, Texas 77551, but such registered office may be changed from time to time by the Board of Directors in the manner provided by law and need not be identical to the principal office of the corporation. Meetings of members and directors may be held at such places within the State of Texas, County of Galveston, as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

- 2.01 "Association" shall mean and refer to Captain's Cove Resort Association, a Texas non—profit corporation, its successors, and assigns.
- 2.02 The "property" shall mean and refer to that certain real property situated in Galveston, Galveston County, Texas, for Captain's Cove Resort, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.
- 2.03 "Common Elements," mean the portions of the condominium Project, except the Units and the areas owned by the Developer and consists of the General Common Elements and the Limited Common Elements.

- 2.04 “Developer” means the person named hereinabove who undertakes to develop the Condominium Project referred to herein.
- 2.05 “Management Agreement” means and refers to that agreement between the Association and the Management Firm, a copy of which agreement is attached hereto (to the Declaration) as Exhibit “F”.
- 2.06 “Management Firm” means and refers to the entity identified as the Manager in the Management Agreement.
- 2.07 “Member” means the Unit Owner as a member of the Association.
- 2.08 “Unit Owner” or “Owner” means the same as ‘co-owner’ in the Condominium Act and is the person who owns a Unit and a Percentage Interest of the Common Elements within this Condominium Project but does not include a person having an interest in a Unit solely as security for an obligation.
- 2.09 “Declaration” shall mean and refer to the Master Declaration for Captain's Cove Resort, as recorded in the Official Public Records of Real Property of Galveston County, Texas. The terms and provisions of the Declaration are deemed incorporated herein in their entirety, as if fully set forth herein, and made a part hereof for all purposes. If any provision of these Bylaws shall conflict or be inconsistent with the terms of the Declaration, the terms of the Declaration shall control.

ARTICLE III MEMBERS

- 3.01 Members. The Members of this Association are the Unit Owners within this Condominium Project.
- 3.02 Membership. Membership shall be automatic with the acceptance of title of a Unit. If a Unit is owned by more than one person, then all such owners shall be Members eligible to hold office, and attend meetings, etc.
- 3.03 Transfer of Membership. Membership in this Association may be transferred only upon the transfer of ownership of a Unit.
- 3.04 Termination of Membership. Membership in this Association is automatically terminated upon transfer of ownership of a Unit. There is no other type of termination.
- 3.05 Resignation. No Member may resign his membership in this Association, the same being coupled with his ownership of a Unit.

3.06 Voting Rights. Each Unit shall be entitled to cast one vote.

If a Unit is owned by more than one person, the votes of that Unit shall be cast by the "voting member" designated by the owners of the Unit.

If the ownership of a Unit is vested in a corporation, the corporation may designate an individual officer or employee of the corporation as its "voting member."

The Association shall have no vote for any Unit conveyed to it.

3.07 Voting Members. If a Unit is owned by one person, his right to vote shall be established by the recorded deed to the Unit.

If a Unit is owned by more than one person, all record owners of the Unit shall sign and file with the Secretary of the Association a certificate designating the voting member entitled to cast the votes for the Unit.

If a certificate of multiple owners or a corporate owner is not filed with the Secretary of the Association, the votes of those Units shall not be considered in determining quorum requirements. Such certificates shall be void until revoked or replaced by such owner(s).

If a Unit is owned by husband and wife then (a) they may designate a voting member; (b) if no voting member is designated and if both are present at a meeting of the Members and are unable to agree on an issue under consideration, the votes allocated to their Unit shall not be counted on that Issue; and (c) where no voting member is designated, and one of them is absent from the meeting of the Members, then the one present shall be entitled to cast votes of their Unit.

ARTICLE IV MEETINGS OF MEMBERS

4.01 Annual Meeting. An annual meeting of the Members shall be held in the month of April in each year, at a date, time, and place to be determined by the Board of Directors, for the purpose of electing officers and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in the State of Texas, such meeting shall be held on the next succeeding business day. If the election of directors shall not be held on the day designated for any annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the Members as soon thereafter as conveniently may be.

4.02 Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least ten (10) days but not more than

fifty (50) days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association, for the purpose of notice. Such notice shall specify the place, day, and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting including the general nature of any proposed amendment to the Declaration or Bylaws. The business of the annual meeting shall include receiving annual reports of officers, directors, and committees, electing directors for those terms expiring, and any other business properly before the meeting.

4.03 Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, fifty percent (50%) of the total votes (51) of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

4.04 Special Meetings. Special meetings may be called by the president or upon written request of a majority of the Board of Directors, or upon written request of the Members who are entitled to vote one third (1/3) of all the votes of the Members, to transact and consider specific items of business. Notice for any special meeting shall be given in the same manner as for the annual meeting. No business other than specified in the notice shall be transacted at any special meeting of the Members.

4.05 Proxies. At all meetings of Members, each Member may vote in person or by proxy. A proxy shall be in writing and revocable at the pleasure of the Member executing it. The duration of any proxy shall be eleven (11) months from its execution unless the proxy shall contain specific instructions to the contrary.

4.06 Decisions of Members. A majority of the votes cast at a meeting of the members shall be the decision of the Members, unless the Condominium Act, the Declaration, the Articles of Incorporation, or these Bylaws provide otherwise.

4.07 Management Firm. During the term of any Management Agreement, the Management Firm shall be entitled to notice of all meetings of the Members and be entitled to have representatives attend such meetings.

4.08 Nomination and Election of Directors. The nomination for election to the Board of Directors shall be made from the floor at the annual meeting. Election to the Board of Directors shall be by secret written ballot. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted. Election shall be by plurality vote.

ARTICLE V
BOARD OF DIRECTORS

5.01 General Powers. The affairs of the Association shall be managed by its Board of Directors in accordance with the duties and responsibilities imposed upon the Council of Co—owners under Article 1301a of the Revised Civil Statutes of Texas (the Condominium Act), the Declaration, the Articles of Incorporation of this Association, all of which are incorporated herein by reference for all purposes, and these Bylaws.

5.02 Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all acts and things as are not by law or by the Condominium Act, the Declaration, the Articles of Incorporation, or these Bylaws, directed to be exercised and done by Unit Owners. Specifically, but not by way of limitation, the Board of Directors may:

- 1) Exercise all powers of the Association set forth in the Declaration, the Articles of Incorporation, these Bylaws, and the Condominium Act, and all powers incidental thereto.
- 2) Make, determine, and collect assessments and maintenance fees; use and expend the assessments and maintenance fees to carry out the purposes and powers of the Association.
- 3) Employ, direct, and control the personnel necessary for the maintenance and operation of the Condominium Regime, and the Common Elements and facilities, including the right and power to employ attorneys, accountants, contractors, and other professionals.
- 4) Make and amend regulations respecting the use and operation of the Common Elements and Association Property, and the Units.
- 5) Contract for the management of the Condominium Regime and the Common Elements.
- 6) Make improvements of the Association property, both real and personal; purchase items of furniture, furnishings, fixtures, and equipment.

5.03 Number, Tenure, and Qualifications. The Board of Directors shall consist of three (3) persons, but the number of directors may be increased from time to time by amendment to the Bylaws of the corporation; provided, however, that the number of directors shall never be less than three. Until the election of directors at the first annual meeting of the Members, the initial Board of Directors shall so serve. Each director shall hold office until the next annual meeting of the Members and his successor shall have been elected and qualified. All directors, except those designated by the Developer, shall be Members. All officers of a corporate owner shall be deemed to be Members of the Association for the limited purpose of being qualified to serve as a director herein. No Member shall continue to serve as a director should the Member be more than thirty (30) days delinquent of the payment of any assessment or maintenance fee. Such a

delinquency shall automatically constitute a resignation, effective upon acceptance by the Board of Directors.

5.04 Election and Term. The directors shall be elected by the Members at the annual meeting of the Members, or at a special meeting of the Members held in lieu of the annual meeting, if the same is not held when provided for by these Bylaws, and each such director shall hold office, unless removed in accordance with the provisions of these Bylaws or he resigns, for a term of three (3) years and until his successor shall have been elected and qualified. Each director shall qualify by accepting his election to office either expressly or by acting as a director.

At the election where the Developer will not control the Board, there will be an election for three (3) directors and staggered terms will be instituted. The Director with the greatest number of votes shall be elected to a three (3) year term. The Director with the second greatest number of votes will be elected to a two (2) year term and the third director shall be elected to a one (1) year term. Each year thereafter there shall be an election for one (1) director which term shall be for three (3) years.

5.05 Resignation. Any director or officer of the association may resign at any time by providing the secretary of the Association with written notice of his resignation.

5.06 Vacancy and Increase. Any vacancy or vacancies occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the Board of Directors. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office and until his successor shall have been elected and qualified. In case of any increase in the number of directors, the additional director or directors shall be elected at either an annual meeting or a special meeting of the Members called for that purpose.

5.07 Regular Meetings. A regular annual meeting of Board of Directors shall be held without notice other than this Bylaw, immediately after, and at the same place, as the annual meeting of Members. The Board of Directors may provide by resolution the time and place within Galveston County, Texas, for the holding of additional regular meetings of the Board of Directors.

5.08 Notice and Waiver. Notice of all regular (other than regular annual meetings) and special meetings of the Board of Directors shall be given at least three (3) days previously thereto by written notice delivered personally or sent by mail or telegram to each director at his address as shown by the records of the Association. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to telegraph company. Any director may waive notice of any meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. The business to

be transacted at the meeting need not be specified in the notice of such meeting, unless specifically required by law or by these Bylaws.

5.09 Quorum. A majority of the Board of Directors shall constitute quorum for the transaction of business at any meeting of the Board of Directors; but if less than a majority of the directors are present at said meeting, a majority of the directors' present may adjourn the meeting from time to time without further notice. The joinder of a director in the action of a meeting by signing a consent concurring in the minutes thereof shall constitute the presence of such director at such meeting.

5.10 Manner of Acting. The act of a majority of the directors' present at a Board of Directors meeting, at which a quorum is present, shall be the act of the Board of Directors, unless the act of a greater number is required by law or these Bylaws.

5.11 Removal. At any time after the directors are elected by the Members, as distinguished from the appointment of directors by the Developer, any director may be removed from office, with or without cause, by the affirmative vote of two-thirds (2/3) of the Members at a duly called meeting of the Members, and a successor may then be elected by the Members to fill that vacancy. If the Members do not elect a successor director, then the Board of Directors may fill the vacancy as provided for in these Bylaws.

5.12 Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

5.13 Management Firm. In the event the Association enters into a contract with a Management Firm, then for as long as such contract is in effect, the Management Firm shall be provided notice of all meetings of the Board of Directors, shall be entitled to attend such meetings, and it may designate its representative(s) to attend such meetings on its behalf.

5.14 Special meetings. Special meetings may be called by the president or upon written request of a majority of the Board of Directors to transact and consider specific items of business. No business other than specified in the notice shall be transacted at any special meeting of directors unless all directors shall be present.

5.15 Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could have taken at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE VI OFFICERS

6.01 Officers. The officers of the Association shall be a president, vice president, secretary, assistant secretary, and treasurer, and such other officers as the Board of Directors may from time to time by resolution create.

6.02 Election and Term of Office. At its annual meeting, the Board of Directors shall elect persons to fill all offices for a term of one (1) year or until the next meeting. Officers (other than the Developer) shall be members of the Association. The same person may hold two (2) or more offices simultaneously.

6.03 Duties of Officers. The duties and powers of the respective officers shall be as follows:

President. The president shall be the chief executive officer of the Association and shall be empowered to: (a) preside at all meetings of the Board of Directors, but shall not vote unless also elected as a director; (b) execute all documents on behalf of the Association, including amendments to the Declaration; (c) review monthly reports by legal counsel, CPA or trust institution certifying conveyances to the Association by the Developer; (d) review reports of the Association and of any Management Firm engaged by the Board of Directors; (e) call meetings of Board of Directors at his discretion; and (f) supervise all affairs of the Association.

Vice President. The vice president shall perform the duties of the president in the event of the death, extended absence, or extended inability to act as the president. Extended absence or extended inability shall mean continuation of the condition for more than thirty (30) days.

Secretary. The secretary shall be empowered to: (a) give notice of meetings to the Board of Directors and Members as required by these Bylaws; (b) attend all meetings of Members and record minutes of all transactions; (c) maintain all Association records including a list of Members in good standing and review the performance of this function by management engaged by the Board of Directors; (d) attest to all documents; and (e) retain and apply the Association seal as appropriate.

Assistant Secretary. The assistant secretary shall be empowered to perform the duties of the secretary in the event of the death, extended absence, or extended inability of the secretary to act. The assistant secretary shall attest to documents executed by the president or treasurer at their convenience.

Treasurer. The treasurer shall be empowered to: (a) maintain all monies, accounts, and bookkeeping records or supervise the performance of this function by management engaged by the Board of Directors; (b) report on the financial condition of the Association at the annual meeting of Members; (c) review the Association expenses and recommend modifications to the annual use fee as required; (d) conduct the

financial affairs of the Association under the direction and control of the Board of Directors; and (e) turn over all monies, property, and records to his successor promptly upon expiration of his term.

6.04 Bond of Officers. At the request of the Board of Directors, any officer shall provide at the Association expense a bond in a reasonable amount to insure the faithful discharge of his obligations as an officer.

6.05 Removal. Any officer elected or appointed by the Board of Directors may be removed by the vote of a majority in number of the Board of Directors whenever in its judgment the best interest of the Association would be served thereby.

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

ARTICLE VII COMMITTEES

7.01 Committees. Committees not having and exercising authority of the Board of Directors in the management of the Association may be designated by a resolution adopted by the Board of Directors. Except as otherwise provided in such resolution, members of such committee shall be members of the Association, and the president shall appoint the members thereof. Any committee member may be removed by the Board of Directors whenever in its judgment the best interest of the Association shall be served thereby.

7.02 Term of Office. Each committee member shall continue as such until the next annual meeting of the Members of the Association and until his successor is appointed, unless the committee shall be sooner terminated by the Board of Directors, or unless such committee member be removed from such committee, or unless he shall cease to qualify.

7.03 Chairman. One member of each committee shall be appointed chairman by the president.

7.04 Vacancies. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

7.05 Quorum. Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the committee members present at the meeting at which a quorum is present shall be the act of the committee.

ARTICLE VIII
CONTRACTS, CHECKS, DEPOSITS, AND FUNDS

8.01 Contracts. The Board of Directors may authorize any officer or officers, agent, or agents of the Association, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances. However, the provisions of any Management Agreement may delegate contracting functions to the Management Firm.

8.02 Checks, Drafts, or Orders for Payment. All checks, drafts, or orders for the payment of money, notes, or other evidence of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent, or agents of the Association, and in such manner as shall from time to time be determined by resolution of the Board of Directors. Such instruments shall be signed by the treasurer or an assistant treasurer and countersigned by the president or a vice—president of the Association.

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

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

ARTICLE IX
ASSESSMENTS

9.01 Assessments and Maintenance Fees. As provided for in and subject to the limitations set forth in the Declaration, the Board of Directors shall determine the annual assessments and maintenance fees and give timely notice thereof to the Members.

9.02 Special Assessments. As provided in the Declaration the Board of Directors shall approve proposed special assessments, from time to time; submit notices thereof to the Members; and provided the Members do not reject the proposed special assessments, shall establish, and collect such special assessments.

9.03 Payment of Assessments and Maintenance Fees. The Board of Directors is specifically charged with the responsibility and authority to collect all assessments and maintenance fees on behalf of the Association. From time to time, the Board of Directors shall determine whether or not the assessments and/or maintenance fees shall be paid in installments as distinguished from a lump—sum amount.

9.04 Default in Payments. The Board of Directors may utilize all of the authority reserved to the Association in the Declaration and available to it under law or equity upon any default in payments.

9.05 Management Firm. Notwithstanding any provision herein to the contrary, the Board of Directors is authorized to delegate to a Management Firm such duties and authority of the Board of Directors in regard to determining and collecting assessments and/or maintenance fees as the Board of Directors may determine from time to time.

ARTICLE X GENERAL PROVISIONS

10.01 Books and Records. The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Members and its Board of Directors, and shall keep at the registered or principal office a record giving the names and addresses of the Members entitled to vote. All books and records of the Association may be inspected by any member, his agent, or attorney for any proper purpose at any reasonable time.

10.02 Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the last day of December in each year. However, the Board of Directors may change the fiscal year from time to time.

10.03 Corporate Seal. The Board of Directors shall provide a corporate seal, which shall be in the form of a circle with the name of the Association contained therein.

10.04 Waiver of Notice. Whenever any notice is required to be given under the provisions of the Texas Non—profit Corporation Act, the Condominium Act, the Declaration, the Articles of Incorporation, or the Bylaws of the Association, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein shall be deemed equivalent to the giving of such notice.

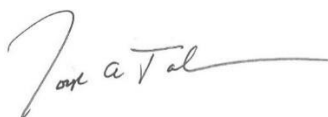
10.05 Laws and Statutes. Whenever used or appearing in these Bylaws, the word "law" or "laws" or "statute" or "statutes" respectively, shall mean and refer to laws and statutes, or a law or a statute, of the State of Texas, to the extent only such is or are expressly applicable, except where otherwise expressly stated or the context requires that such words not be so limited.

10.06 Headings. The headings of the articles and sections of these Bylaws are inserted for convenience of reference only and shall not be deemed to be a part thereof or used in the construction or interpretation thereof.

ARTICLE XI
AMENDMENTS

10.01 Amendments. These Bylaws may be amended, repealed, or added to, or new Bylaws may be adopted, at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present in person or by proxy.

IN WITNESS WHEREOF, we, the Board of Directors of Captain's Cove Resort Association, have confirmed these bylaws 1st day of February 2021.



President Captains Cove Association
February 1, 2021

CERTIFICATE OF SECRETARY

The undersigned, Secretary of the Texas Non—profit Corporation known as Captain's Cove Resort Association, does hereby certify that the above and foregoing Bylaws were duly confirmed and reapproved by the Board of Directors of said Association on the 1st day of May 2021 and that they now constitute said Bylaws.

Signed this 1st day of February 2021.



Secretary

END OF BYLAWS
CAPTAINS COVE

February 2021



ASPEN

ASPEN SPECIALTY INSURANCE COMPANY

COMMERCIAL LIABILITY UMBRELLA DECLARATIONS

Policy Number: CIUUMC007736-00

Aspen Specialty Insurance Company	GIA Insurance Agency, LLC D/B/A: Galveston Insurance Associates PO Box 16767 Galveston, TX 77552
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NAMED INSURED: CAPTAIN'S COVE RESORT ASSOCIATION

MAILING ADDRESS: THE MVP SERVICE LLC; TOWB, LLC 7600 SEAWALL BLVD
GALVESTON, TX 77551

POLICY PERIOD: FROM 6/24/2020 TO 6/24/2021 AT 12:01 A.M. STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

LIMITS OF INSURANCE		
EACH OCCURRENCE LIMIT (LIABILITY COVERAGE)	\$ <u>\$5,000,000</u>	
PERSONAL & ADVERTISING INJURY LIMIT	\$ <u>\$5,000,000</u>	Any one person or organization
AGGREGATE LIMIT (LIABILITY COVERAGE) (except with respect to "covered autos")	\$ <u>\$5,000,000</u>	
OTHER: _____	\$ _____	
_____	\$ _____	

DESCRIPTION OF BUSINESS		
FORM OF BUSINESS:		
<input type="checkbox"/> INDIVIDUAL	<input type="checkbox"/> PARTNERSHIP	<input type="checkbox"/> JOINT VENTURE
<input type="checkbox"/> LIMITED LIABILITY COMPANY	<input checked="" type="checkbox"/> ORGANIZATION, INCLUDING A CORPORATION (BUT NOT INCLUDING A PARTNERSHIP, JOINT VENTURE OR LIMITED LIABILITY COMPANY)	
BUSINESS DESCRIPTION: <u>Condominium Association</u>		



PREMIUM			
Subject Premium of Employers Liability Coverage	\$ <u>Excluded</u>	x Umbrella Factor <u> </u>	\$ <u>Excluded</u>
Subject Premium of Comm. Gen. Liab. Coverage	\$ <u>Included</u>	x Umbrella Factor <u> </u>	\$ <u>Included</u>
Subject Premium of Commercial Auto Coverage	\$ <u>Excluded</u>	x Umbrella Factor <u> </u>	\$ <u>Excluded</u>
Subject Premium of Other Coverages	\$ <u> </u>	x Umbrella Factor <u> </u>	\$ <u> </u>
Other Premium	\$ <u> </u>	x Umbrella Factor <u> </u>	\$ <u> </u>
Policy Premium			\$1,507.00
Policy Fee			\$100.00
Surplus Lines Tax			\$77.94
SLSO Service Fee			\$2.41
Total Premium and Fees:			\$1,687.35
PREMIUM SHOWN IS PAYABLE:	AT INCEPTION		\$ <u>\$1,687.35</u>
	AT EACH ANNIVERSARY		\$ <u> </u>
(IF POLICY PERIOD IS MORE THAN ONE YEAR AND PREMIUM IS PAID IN ANNUAL INSTALLMENTS)			
AUDIT PERIOD (IF APPLICABLE) Non-Auditale	<input type="checkbox"/> ANNUALLY	<input type="checkbox"/> SEMI-ANNUALLY	<input type="checkbox"/> QUARTERLY
	<input type="checkbox"/> MONTHLY		

ENDORSEMENTS
ENDORSEMENTS ATTACHED TO THIS POLICY:
<p>CIU0100TX (10/12) Surplus Lines Statement; ASIC CIU CP 019 (07/13) Special Activity Exclusion; ASIC CIU UM 001 (10/12) Commercial Liability Umbrella Coverage Form; CU0109 (09/00) Condominiums; IL0017 (11/98) Common Policy Conditions; CU2608 (05/03) Texas Changes - Condomiums; CU0155 (06/06) Texas Changes; CU2104 (03/05) Exclusion - New Entities; TRIA Disclosure (09/12) Policyholder Disclosure Notice of Terrorism Insurance Coverage And Cap On Losses; ASIC CIU IL 005 (10/12) Service of Suit Clause; CU2105 (09/00) Exclusion - Employees as Insureds; CU0003 (03/05) Exclusion - Violation of Statutes that Govern E-mails, Fax, Phone Calls or Other Methods of Sending Material or Information; CU0004 (05/09) Recording and Distribution of Material or Information in Violation of Law Exclusion; ASIC CIU UM 004 (10/12) Revised Coverage Provisions Endorsement; ASIC CIU UM 003 (10/12) Exclusion - Communicable Disease; ASIC CIU IL 007 (10/12) Texas Important Notice; ASIC CIU IL 006 (10/12) Texas Guaranty Fund Nonparticipation Notice; CU2430 (03/05) Amendment of Insured Contract Definition; CU2403 (09/00) Waiver of Transfer of Rights of Recovery Against Others to US; CU2150 (03/05) Silica or Silica-Related Dust Exclusion; CU2142 (12/04) Exclusion - Exterior Insulation and Finish Systems; CU2123 (02/02) Nuclear Energy Liability Exclusion Endorsement; CU2118 (09/00) Exclusion - Year 2000 Computer-Related and Other Electronic Problems; ASIC CIU UM 005 (03/13) Condominium / Homeowners Association Directors and Officers / Employment Practices Liability Limitation Endorsement; ASIC CIU IL 018 (11/13) Nuclear, Biological or Chemical Terrorism Exclusion; ASIC CIU IL 019 (01/15) Terrorism Exclusion;</p>

RETAINED LIMIT	
1. SELF-INSURED RETENTION	\$ <u>0.00</u>
2. SCHEDULE OF UNDERLYING INSURANCE	
Employers' Liability	
Company: <u>Not covered</u>	
Policy Number: _____	
Policy Period: _____	
Minimum Applicable Limits	
Bodily injury by accident	\$ _____ Each Accident
Bodily injury by disease	\$ _____ Each Employee
Bodily injury by disease	\$ _____ Policy Limit
	or
	\$ _____ Each Accident/Occurrence
Commercial General Liability	
	<input checked="" type="checkbox"/> Occurrence <input type="checkbox"/> Claims-Made
Company: <u>Aspen Specialty Insurance Company</u>	
Policy Number: <u>CIUCAP007736-00</u>	
Policy Period: <u>6/24/2020 - 6/24/2021</u>	
Minimum Applicable Limits	
General Aggregate	\$ <u>2,000,000</u>
Products-Completed Operations Aggregate	\$ <u>2,000,000</u>
Personal And Advertising Injury	\$ <u>1,000,000</u>
Each Occurrence	\$ <u>1,000,000</u>
Hired Auto & Non Owned Auto Liability	\$ <u>1,000,000</u>
Commercial Auto Liability	
Company: <u>Not covered</u>	
Policy Number: _____	
Policy Period: _____	
Minimum Applicable Limits	
Garage Aggregate Limit For Other Than Autos (if applicable)	\$ _____
Each Accident	\$ _____
Directors & Officers / EPLI Liability	
	<input type="checkbox"/> Occurrence <input type="checkbox"/> Claims-Made
Company: <u>Not covered</u>	
Policy Number: _____	
Policy Period: _____	
Minimum Applicable Limits	
_____	\$ _____
_____	\$ _____
_____	_____

Liquor Liability

Company: Not covered

Policy Number: _____

Policy Period: _____

Minimum Applicable Limits

Each Common Cause \$ _____

Aggregate \$ _____

Employee Benefits Liability

Company: Aspen Specialty Insurance Company

Policy Number: CIUCAP007736-00

Policy Period: 6/24/2020 - 6/24/2021

Minimum Applicable Limits

Each Employee \$ 1,000,000

Aggregate \$ 1,000,000

THESE DECLARATIONS, TOGETHER WITH THE COMMON P
FORM(S) AND ANY ENDORSEMENT(S), COMPLETE THE ABOVE I

VERAGE

Countersigned: 3/22/2021	By:
(Date)	



NOTE

OFFICERS' FACSIMILE SIGNATURES MAY BE INSERTED HERE, ON THE POLICY COVER OR ELSEWHERE AT THE COMPANY'S OPTION.



COMMUNITY ASSOCIATION EXECUTIVE ADVANTAGE POLICY

DECLARATIONS

NOTICE: THIS IS A CLAIMS-MADE POLICY. THIS POLICY COVERS ONLY CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR DISCOVERY PERIOD, IF APPLICABLE, AND REPORTED TO THE INSURER AS SOON AS PRACTICABLE BUT IN NO EVENT LATER THAN 90 DAYS AFTER THE END OF THE POLICY PERIOD. PLEASE READ THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

UNLESS AMENDED BY ENDORSEMENT, AMOUNTS INCURRED AS DEFENSE COSTS SHALL BE IN ADDITION TO THE LIMIT OF LIABILITY AND SHALL NOT BE APPLIED AGAINST THE APPLICABLE RETENTION.

THE INSURER HAS THE DUTY TO DEFEND.

POLICY NUMBER: PCAP011697-0318

PRODUCER: GIG Insurance Group, Inc.

RENEWAL OF: PCAP011697-0218

ITEM I. NAME AND ADDRESS OF PARENT ORGANIZATION:

Physical:
Inverness By The Sea dba Captains Cove Resort
7600 Seawall Blvd
Galveston, TX 77551

Mailing: ICS Management Company
Inverness By The Sea dba Captains Cove Resort
8866 Gulf Freeway Ste 430
Houston, TX 77017

ITEM II. POLICY PERIOD: Inception Date: 08/25/20 Expiration Date: 08/25/2021
(12:01 A.M. at the address set forth in Item I)

ITEM III. LIMIT OF LIABILITY: \$1,000,000 in the aggregate for the **Policy Year**

ITEM IV. RETENTION: \$2,500 in the aggregate each **Claim**

ITEM V. PRIOR LITIGATION DATE: 08/25/18

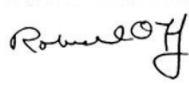

ITEM VI. PREMIUM: \$2,722.00 TRIA Premium: \$0.00

ITEM VII. ENDORSEMENTS FORMING PART OF THIS POLICY AT ISSUANCE:

TX.PCAP-PIBELL1-BELL. TX.PCAP-PICME1-CRISIS. TX.PCAP-PICAP020-ENHANCEI PCAP-PICYBE001-CYBER.
PCAP-PICAPETS-OFAC. PCAP-PISLD001-TRIACAPLOSS PCAP-PICAP021-WAGEHOUR. PCAP-PIITERDN1-TRIANOTICE.
URCAPARDE.

This Declarations page, together with the **Application**, the attached Community Association Policy Form, and all endorsements thereto, shall constitute the contract between the Insurer and the **Insureds**. This Policy is valid only if signed below by a duly authorized representative of the Insurer.

This policy has been signed by the Company's President and Secretary.

President Secretary

Authorized Representative



A Stock Company
P.O. Box 33003
St. Petersburg, FL 33733-8003
Customer Service: 1-800-820-3242
Claims: 1-800-725-9472

FFL99.001 0519
7207958
3/21/21
2000 11523 FLD RCBP

FLOOD DECLARATIONS PAGE
AMENDED EFFECTIVE: 8/20/20

Policy Number	NFIP Policy Number	Product Type: Standard Policy
42 1150045445 11	1150045445	Residential Condominium Building Association Policy Form

Policy Period	Date of Issue	Agent Code	Prior Policy Number
From: 8/20/20 To: 8/20/21 12:01 am Standard Time	03/21/2021	0084467	42 1150045445 10

Agent (409)740-1251
GALVESTON INSURANCE ASSOCIATES
PO BOX 16767
GALVESTON TX 77552-6767

INVERNESS BY THE SEACAPTS COVE RST
7600 SEAWALL BLVD
GALVESTON TX 77551-1906

Property Location (if other than above) Address may have been changed in accordance with USPS standards.
7600 SEAWALL BLVD BLDG 1, GALVESTON TX 77551

Rating Information

Original New Business Effective Date: 8/20/2001
Flood Risk/Rated Zone: C
Current Flood Zone: AO Grandfathered: Yes
Building Occupancy: Other Residential
Primary Residence: N
Condo Type: High Rise Number of Units: 17
Community #: 485469 Map Panel/Suffix: 0002 D
Community Rating: 06 / 10% Program Status: Regular
Community Name: GALVESTON, CITY OF
Replacement Cost Value: 3,630,000

Coverage Deductible Annual Premium

BUILDING	\$3,630,000	\$1,250	\$4,867.00
CONTENTS	\$100,000	\$1,250	\$833.00
ANNUAL SUBTOTAL:			\$5,700.00
DEDUCTIBLE DISCOUNT/SURCHARGE:			- \$14.00
ICC PREMIUM:			\$8.00
COMMUNITY RATING DISCOUNT:			- \$571.00
SUB-TOTAL:			\$5,123.00
RESERVE FUND ASSESSMENT:			\$922.00
PROBATION SURCHARGE:			\$0.00
FEDERAL POLICY SERVICE FEE:			\$800.00
HFIAA SURCHARGE:			\$250.00
TOTAL WRITTEN PREMIUM AND FEES:			\$7,095.00

THIS IS NOT A BILL

DEAR MORTGAGEE
The Reform Act of 1994 requires you to notify the WYO company for this policy within 60 days of any changes in the servicer of this loan.

The above message applies only when there is a mortgagee on the insured location.

Premium Paid by: Insured

Special Provisions:

This policy covers only one building. If you have more than one building on your property, please make sure they are all covered. See III. Property Covered within your Flood policy for the NFIP definition of "building" or contact your agent, broker, or insurance company. Please refer to the policy for complete terms, conditions, and exclusions. A full, digital copy of your flood policy form is available at www.wrightflood.com/policyforms.html. The form which applies to your policy coverage is: Residential Condominium Building Association Policy Form
No Additions and Extensions

Forms and Endorsements:

FFL 99.310 0120 0120 WFL 99.416 1117 1117 WFL 99.116 0614 0614

This policy is issued by NAIC company 11523
Wright National Flood Insurance Company A stock company
Copy Sent To: As indicated on back or additional pages, if any.

Patricia Templeton-Jones
Patricia Templeton-Jones, President

00844674211500454452108001

0000B

05192



Insured



A Stock Company
 P.O. Box 33003
 St. Petersburg, FL 33733-8003
 Customer Service: 1-800-820-3242
 Claims: 1-800-725-9472

FFL99.001 0519
 7207952
 3/21/21
 2000 11523 FLD RCBP

FLOOD DECLARATIONS PAGE
 AMENDED EFFECTIVE: 8/20/20

Policy Number	NFIP Policy Number	Product Type: Standard Policy
42 1150045443 11	1150045443	Residential Condominium Building Association Policy Form

Policy Period	Date of Issue	Agent Code	Prior Policy Number
From: 8/20/20 To: 8/20/21 12:01 am Standard Time	03/21/2021	0084467	42 1150045443 10

Agent (409)740-1251
 GALVESTON INSURANCE ASSOCIATES
 PO BOX 16767
 GALVESTON TX 77552-6767

INVERNESS BY THE SEACAPTS COVE RST
 7600 SEAWALL BLVD
 GALVESTON TX 77551-1906

Property Location (if other than above) 7600 SEAWALL BLVD BLDG 3, GALVESTON TX 77551
 Address may have been changed in accordance with USPS standards.

Rating Information

Original New Business Effective Date: 8/20/2003
 Flood Risk/Rated Zone: C
 Current Flood Zone: AO Grandfathered: Yes
 Building Occupancy: Other Residential
 Primary Residence: N
 Condo Type: High Rise Number of Units: 17
 Community #: 485469 Map Panel/Suffix: 0002 D
 Community Rating: 06 / 10% Program Status: Regular
 Community Name: GALVESTON, CITY OF
 Replacement Cost Value: 2,420,000

Coverage Deductible Annual Premium

BUILDING	\$2,420,000	\$1,250	\$3,971.00
CONTENTS	\$100,000	\$1,250	\$833.00
ANNUAL SUBTOTAL:			\$4,804.00
DEDUCTIBLE DISCOUNT/SURCHARGE:			- \$14.00
ICC PREMIUM:			\$8.00
COMMUNITY RATING DISCOUNT:			- \$481.00
SUB-TOTAL:			\$4,317.00
RESERVE FUND ASSESSMENT:			\$777.00
PROBATION SURCHARGE:			\$0.00
FEDERAL POLICY SERVICE FEE:			\$800.00
HFIAA SURCHARGE:			\$250.00
Premium Paid by: Insured	TOTAL WRITTEN PREMIUM AND FEES:		\$6,144.00

Special Provisions:

This policy covers only one building. If you have more than one building on your property, please make sure they are all covered. See III. Property Covered within your Flood policy for the NFIP definition of "building" or contact your agent, broker, or insurance company. Please refer to the policy for complete terms, conditions, and exclusions. A full, digital copy of your flood policy form is available at www.wrightflood.com/policyforms.html. The form which applies to your policy coverage is: Residential Condominium Building Association Policy Form
 No Additions and Extensions

Forms and Endorsements:

FFL 99.310 0120 0120 WFL 99.416 1117 1117 WFL 99.116 0614 0614

This policy is issued by NAIC company 11523
 Wright National Flood Insurance Company A stock company
 Copy Sent To: As indicated on back or additional pages, if any.

Patricia Templeton-Jones
 Patricia Templeton-Jones, President

00844674211500454432108001

00009

05190



Insured



A Stock Company
 P.O. Box 33003
 St. Petersburg, FL 33733-8003
 Customer Service: 1-800-820-3242
 Claims: 1-800-725-9472

FFL99.001 0519
 7207953
 3/21/21
 2000 11523 FLD RCBP

FLOOD DECLARATIONS PAGE
 AMENDED EFFECTIVE: 8/20/20

Policy Number	NFIP Policy Number	Product Type: Standard Policy
42 1150045444 11	1150045444	Residential Condominium Building Association Policy Form

Policy Period	Date of Issue	Agent Code	Prior Policy Number
From: 8/20/20 To: 8/20/21 12:01 am Standard Time	03/21/2021	0084467	42 1150045444 10

Agent (409)740-1251
 GALVESTON INSURANCE ASSOCIATES
 PO BOX 16767
 GALVESTON TX 77552-6767

INVERNESS BY THE SEACAPTS COVE RST
 7600 SEAWALL BLVD
 GALVESTON TX 77551-1906

Property Location (if other than above) Address may have been changed in accordance with USPS standards.
 7600 SEAWALL BLVD BLDG 2, GALVESTON TX 77551

Rating Information

Original New Business Effective Date: 8/20/2003
 Flood Risk/Rated Zone: C
 Current Flood Zone: AO Grandfathered: Yes
 Building Occupancy: Other Residential
 Primary Residence: N
 Condo Type: High Rise Number of Units: 17
 Community #: 485469 Map Panel/Suffix: 0002 D
 Community Rating: 06 / 10% Program Status: Regular
 Community Name: GALVESTON, CITY OF
 Replacement Cost Value: 4,549,940

Coverage

Coverage	Deductible	Annual Premium	
BUILDING	\$4,250,000	\$1,250	\$5,326.00
CONTENTS	\$100,000	\$1,250	\$833.00

THIS IS NOT A BILL

DEAR MORTGAGEE

The Reform Act of 1994 requires you to notify the WYO company for this policy within 60 days of any changes in the servicer of this loan.

The above message applies only when there is a mortgagee on the insured location.

ANNUAL SUBTOTAL:	\$6,159.00
DEDUCTIBLE DISCOUNT/SURCHARGE:	- \$14.00
ICC PREMIUM:	\$8.00
COMMUNITY RATING DISCOUNT:	- \$617.00
SUB-TOTAL:	\$5,536.00
RESERVE FUND ASSESSMENT:	\$996.00
PROBATION SURCHARGE:	\$0.00
FEDERAL POLICY SERVICE FEE:	\$800.00
HFIAA SURCHARGE:	\$250.00
TOTAL WRITTEN PREMIUM AND FEES:	\$7,582.00

Premium Paid by: Insured

Special Provisions:

This policy covers only one building. If you have more than one building on your property, please make sure they are all covered. See III. Property Covered within your Flood policy for the NFIP definition of "building" or contact your agent, broker, or insurance company. Please refer to the policy for complete terms, conditions, and exclusions. A full, digital copy of your flood policy form is available at www.wrightflood.com/policyforms.html. The form which applies to your policy coverage is: Residential Condominium Building Association Policy Form
 No Additions and Extensions

Forms and Endorsements:

FFL 99.310 0120 0120 WFL 99.416 1117 1117 WFL 99.116 0614 0614

This policy is issued by NAIC company 11523
 Wright National Flood Insurance Company A stock company
 Copy Sent To: As indicated on back or additional pages, if any.

Patricia Templeton-Jones
 Patricia Templeton-Jones, President

00844674211500454442108001

0000A

05191



Insured

42 1150045444 11

Agent (409)740-1251
GALVESTON INSURANCE ASSOCIATES
PO BOX 16767
GALVESTON TX 77552-6767

The Residential Condominium Building Association Policy will not list a mortgagee for any individual unit owner on the declaration page due to National Flood Insurance Program guidelines. The *Mandatory Purchase of Flood Insurance Guidelines*, pages 45-51 provides additional information on this subject.

A mortgagee may be listed on the declaration page if the condominium association is required to obtain flood insurance as part of the security for a loan under the name of the condominium association. Please contact the agent for additional information.

Refer to www.fema.gov/cost-of-flood for more information about flood risk and policy rating.

Claims Information:

Please contact your agent or go to www.wrightflood.com to enter your claim as well as receive important information to mitigate the damage to your property. If you need to reach the insurance company the number is 1-800-725-9472.





ASPEN SPECIALTY INSURANCE COMPANY

COMMERCIAL PACKAGE POLICY DECLARATIONS PAGE

Policy Number: CIUCAP007736-00

Inception Date: 6/24/2020 Expiration Date: 6/24/2021 12:01 AM Standard Time at the address of the insured as stated herein.

Table with 2 columns: Named Insured and Address, Producing Agency Name and Address. Includes details for Captain's Cove Resort Association and GIA Insurance Agency, LLC.

This policy consists of the following coverage parts for which a premium is indicated. The premium may be subject to audit by the company.

Table with 2 columns: Coverage(s) Included in Policy, Premium. Lists various coverages like Commercial Property, General Liability, and associated fees.

In Return For The Payment Of The Premium, And Subject To All The Terms Of This Policy, We Agree With You To Provide The Insurance As Stated In This Policy. This Policy Supercedes Any Previous Policy Bearing The Same Number And Policy Period.

“SURPLUS LINES INSURERS’ POLICY RATES AND FORMS ARE NOT APPROVED BY ANY STATE REGULATORY AGENCY.”

Payment Method: This is an agency bill policy.

Premium payable at inception:

Countersigned this 24th day of June, 2020



ASPEN SPECIALTY INSURANCE COMPANY

POLICY LOCATION SCHEDULE

Policy Number: CIUCAP007736-00

Policy Period: 6/24/2020

To: 6/24/2021

Named Insured: CAPTAIN'S COVE RESORT ASSOCIATION

LOCATIONS OF ALL PREMISES YOU OWN, RENT, OR OCCUPY

Table with 7 columns: Bldg #, Address, Building Name, Building Desc., City, State, Zip. Contains 6 rows of data for buildings in Galveston, TX.



ASPEN

ASPEN SPECIALTY INSURANCE COMPANY

COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS PAGE

Policy Number: CIUCAP007736-00

Policy Period: 6/24/2020

To: 6/24/2021

Named Insured: CAPTAIN'S COVE RESORT ASSOCIATION

COVERAGES PROVIDED AND DESCRIPTION OF PREMISES: INSURANCE AT THE DESCRIBED PREMISIS APPLIES ONLY FOR THE COVERAGES SHOWN BELOW.

<u>Description</u>	<u>Amount</u>
Covered Cause	Special
Valuation	Replacement Cost
Agreed Amount	Included
Guaranteed Replacement Cost (GRC)	Included
Deductible	\$5,000
Inflation Guard	0%
Terrorism	Excluded
<u>Optional Coverage:</u>	<u>Amount</u>
Earthquake and Volcanic Eruption Endorsement	Excluded
Underground Pipes, Flues, and Drains	Included
Discharge from Sewer, Drain or Sump (Not Flood Related)	\$250,000 Limit Per Association
Association Loss Assessment	\$250,000 Blanket Limit for the Association



ASPEN SPECIALTY INSURANCE COMPANY

COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS PAGE

Policy Number: CIUCAP007736-00	Policy Period: 6/24/2020	To: 6/24/2021
Named Insured: CAPTAIN'S COVE RESORT ASSOCIATION		

LIMITS OF INSURANCE

General Aggregate Limit (Other Than Products - Completed Operations)	\$2,000,000
Products - Completed Operations Aggregate Limit	\$2,000,000
Each Occurrence	\$1,000,000
Personal and Advertising Injury Limit	\$1,000,000
Hired / Non-Owned Auto Limit	\$1,000,000
Damages To Premises Rented to You Limit (Any One Premises)	\$50,000
Medical Payments Expense Limit (Any One Person)	\$5,000
Employee Benefits Liability (Any One Employee)	\$1,000,000
Employee Benefits Liability (Aggregate Limit)	\$1,000,000
Terrorism	Excluded

BUSINESS DESCRIPTION AND LOCATION OF PREMISES

Business Description: Condominium Association	
Location - See Location Schedule	
ENDORSEMENTS INCLUDED	
General Liability Extension Endorsement	Included

PREMIUM

<u>Code No.</u>	<u>Classification Description</u>	<u>Premium Basis</u>	<u>Exposure</u>
62003	Residential Condominium	Units	51
48925	Swimming Pool	Each	1
62000	Commercial Condo	Sq. Ft.	N/A
10105	Boat/Dock Facility	Flat	0
46671	Playground	Flat	1
44311	Fitness Center	Flat	1



ASPEN SPECIALTY INSURANCE COMPANY

COMMERCIAL CRIME COVERAGE PART DECLARATIONS PAGE

Policy Number: CIUCAP007736-00

Policy Period: 6/24/2020

To: 6/24/2021

Named Insured: CAPTAIN'S COVE RESORT ASSOCIATION

COVERAGES, LIMITS OF INSURANCE AND DEDUCTIBLES

Insuring Agreements, Limit of Insurance and Deductible Amounts shown below are subject to all of the terms of this policy that apply.

Blanket Limit Coverage		\$25,000
Employee Theft		Included in Blanket Limit
Deductible	\$1,000.00	
Forgery or Alteration		Included in Blanket Limit
Deductible	\$1,000.00	
Inside and Outside The Premises- Theft of Money & Securities		Included in Blanket Limit
Deductible	\$1,000.00	
Money Orders and Counterfeit Money		Included in Blanket Limit
Deductible	\$1,000.00	
Funds Transfer Fraud		Included in Blanket Limit
Deductible	\$1,000.00	
Computer Fraud		Included in Blanket Limit
Deductible	\$1,000.00	
Employee Benefit Plan Included as Insured under Employee Theft		No Coverage
Deductible	N/A	
Include Designated Agents as Employees-Accountant or Bookkeeper-Employee Theft		No Coverage
Deductible	N/A	

POLICY FORMS DECLARATIONS

Form Number	Form Date	Form Description
ASPCO098	02/13	Signature Page
ASIC CIU CPP 001D	10/12	Commercial Package Policy Declarations Page
ASIC CIU IL 003	10/12	Policy Location Schedule
ASIC CIU CP 012D	10/12	Commercial Property Coverage Part Declarations Page
ASIC CIU GL 007D	10/12	Commercial General Liability Coverage Part Declarations Page
ASIC CIU CR 001D	01/16	Commercial Crime Coverage Part Declarations Page
CIU0100TX	10/12	Surplus Lines Statement
ASIC CIU IL 001	10/12	Minimum Earned Premium Endorsement
IL0003	09/08	Calculation of Premium
IL0017	11/98	Common Policy Conditions
ASIC CIU IL 005	10/12	Service of Suit Clause
ASIC CIU IL 007	10/12	Texas Important Notice
ASIC CIU IL 008	11/12	Texas Cancellation and NonRenewal
ASIC CIU IL 006	10/12	Texas Guaranty Fund Nonparticipation Notice
ASIC CIU IL 015	11/13	Nuclear, Biological Or Chemical Exclusion
TRIA Disclosure	09/12	Policyholder Disclosure Notice of Terrorism Insurance Coverage And Cap On Losses
ASIC CIU IL 016	11/13	Terrorism Exclusion
ASIC CIU CP 013	11/12	Condominium Association Coverage Form
CP1030	10/12	Causes of Loss - Special Form
CP0090	07/88	Commercial Property Conditions
CP0142	01/11	Texas Changes
ASIC CIU CP 015	11/12	Texas Changes Condominium Association Coverage Condominum Law Provisions
CP0163	10/05	Texas - Modified Limitations on Fungus, Wet Rot, Dry Rot, and Bacteria
CP1054	06/07	Windstorm or Hail Exclusion
CP0405	10/12	Ordinance or Law Coverage
CP0030	10/12	Business Income (and Extra Expense) Coverage Form
CP1440	06/07	Outdoor Signs
CP1410	06/95	Additional Covered Property
ASIC CIU CP 029	09/14	Additional Covered Property
IL0935	07/02	Exclusion of Certain Computer-Related Losses
IL0952	03/08	Cap on Losses From Certified Acts of Terrorism
ASIC CIU CP 007	10/12	Additional Property Coverage Endorsement
ASIC CIU CP 026	08/14	Original Specifications Endorsement
ASIC CIU CP 043	08/14	Discharge From Sewer, Drain Or Sump (Not Flood Related)
ASIC CIU IL 026	08/14	Guaranteed Replacement Cost Endorsement
ASIC CIU CP 002	10/12	Existing Damage Exclusion Endorsement
ASIC CIU CP 019	07/13	Special Activity Exclusion
CG0001	12/07	Commercial General Liability Coverage Form
CG0300	01/96	Deductible Liability Insurance
CG0103	06/06	Texas Changes
IL0168	09/08	Texas Changes - Duties

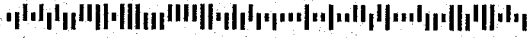
CG0435	12/07	Employee Benefits Liability
CG2639	12/07	Texas Changes - Employment-Related Practices Exclusion
CG2264	04/13	Pesticide or Herbicide Applicator Coverage
CG2004	11/85	Additional Insured - Condominium Unit Owners
CG0067	03/05	Exclusion - Violation of Statutes that Govern E-mails, Fax, Phone Calls or Other Methods of Sending Material or Information
CG2165	12/04	Exclusion – Total Pollution Exclusion With A Building Heating, Cooling, And Dehumidifying Equipment Exception And A Hostile Fire Exception
ASIC CIU GL 004	08/18	General Liability Coverage Extension Endorsement - Community Association
CG2160	09/98	Exclusion - Year 2000 Computer-Related And Other Electronic Problems
CG2167	12/04	Fungi or Bacteria Exclusion
CG2196	03/05	Silica or Silica Related Dust Exclusion
ASIC CIU IL 018	11/13	Nuclear, Biological or Chemical Terrorism Exclusion
CG2186	12/04	Exclusion - Exterior Insulation and Finish Systems
ASIC CIU IL 019	01/15	Terrorism Exclusion
CG2426	07/04	Amendment of Insured Contract Definition
ASIC CIU GL 002	10/12	Exclusion - Lead Paint
ASIC CIU GL 003	10/12	Exclusion - Asbestos
IL0021	09/08	Nuclear Energy Liability Exclusion Endorsement (Broad Form)
ASIC CIU GL 006	10/12	Hired and Non-Owned Auto Liability
CR0023	11/15	Commercial Crime Policy (Loss Sustained Form)
CR0247	10/10	Texas Changes
CR0199	10/10	Texas Changes - Legal Action Against Us
IL0171	09/07	Texas Changes - Loss Payment
IL0288	09/07	Texas Changes - Cancellation and Nonrenewal
CR2508	10/10	Include Specified Non-Compensated Officers
CR2506	10/10	Include Chairman and Member of Specified Committees
CR2502	10/10	Include Designated Agents as Employees



**TEXAS WINDSTORM
INSURANCE ASSOCIATION**

P.O. Box 99090
Austin, Texas 78709-9090

MDG2021 00000362 02



Inverness By The Sea-Captains Cove Resort
7600 Seawall Blvd
Galveston, TX 77551-1906



Account Of An insured covered by

Amended Commercial Declarations Page

Texas Windstorm Insurance Association

P.O. Box 99090 Austin, Texas 78709-9090

Policy Number: TWIA-000825317-03

Policy Period: Jun 24, 2020, to Jun 24, 2021

12:01 A.M. Standard Time at the property location

Amended Declarations Page Effective: March 19, 2021

Name and Mailing Address of Insured:

Inverness By The Sea-Captains Cove Resort
7600 Seawall Blvd
Galveston, TX 77551-1906

Name and Mailing Address of Agent:

Galveston Insurance Associates
P.O. Box 16767
Galveston, TX 77552-6767

Early cancellation may result in approximately 25% of your premium being retained by Texas Windstorm Insurance Association.

This policy will be subject to an immediate surcharge if determined necessary by the Texas Insurance Commissioner. Failure to pay the surcharge will result in cancellation of the policy.

Insured : Inverness By The Sea-Captains Cove Resort

COVERAGES - Windstorm and Hail Only

In consideration of the stipulations and conditions herein or added hereto which are made a part of this policy, and of the premiums provided, TWIA does insure the insured named above and legal representatives FROM the inception date shown above TO the expiration date shown above at 12:01 A.M. Standard Time at the location of property against direct loss resulting from the perils of Windstorm and Hail only which have a premium inserted opposite thereto and only on the property described and located as provided hereon.

Item No.	Coverage A/B	Property and Form Description	Coins %	Per Item / Per Occurrence Deductible %	Per Item / Per Occurrence Deductible Amt	Form Number	Limit of Liability	Premium
1	A	<p>Property Description: Condominium Association - Habitational</p> <p>7600 Seawall, Galveston, Galveston County, TX, 77551 Complex: Captain's Cove, Building: 1</p> <p><i>Underwriting Details:</i></p> <p>Stories: 4; Construction: Brick; Roof: Shingles, Asphalt</p> <p><i>Adjustment amounts included in the premium for each item:</i></p> <p>Increased Cost of Construction Coverage (Form #432) (25%) \$3,643.00</p> <p>Indirect Loss \$34,128.00</p> <p>Deductible 1% (\$1000 min.) -</p> <p style="text-align: right;">\$10,921.00</p> <p><i>Item #1-A forms: 432 164 280 282</i></p>	80%	1%	\$34,026		\$3,402,596.00	\$26,850.00
1	B	<p>Description: Personal Property located at:</p> <p>7600 Seawall, Galveston, Galveston County, TX, 77551 Complex: Captain's Cove, Building: 1</p> <p><i>Underwriting Details:</i></p> <p>Stories: 4; Construction: Brick; Roof: Shingles, Asphalt</p> <p><i>Adjustment amounts included in the premium for each item:</i></p> <p>Deductible 1% (\$1000 min.) -\$542.00</p>	80%	1%	\$3,600		\$360,000.00	\$2,471.00

Total Limit / Total Premium: \$10,789,368.00 \$79,532.00

Pro rata Additional Surcharges: \$0.00

Total Surcharges: \$0.00

Total Premium + Total Surcharges: \$79,532.00

Original
Part 1, Page 1 of 3

(This policy contains two parts. To be valid, both parts must be combined and the policy countersigned by the Texas Windstorm Insurance Association.)

COVERAGES - Windstorm and Hail Only

Attached to and forming part of Policy Number: TWIA-000825317-03

In consideration of the stipulations and conditions herein or added hereto which are made a part of this policy, and of the premiums provided, TWIA does insure the insured named above and legal representatives FROM the inception date shown above TO the expiration date shown above at 12:01 A.M. Standard Time at the location of property against direct loss resulting from the perils of Windstorm and Hail only which have a premium inserted opposite thereto and only on the property described and located as provided hereon.

Item No.	Coverage A/B	Property and Form Description	Coins %	Per Item / Per Occurrence Deductible % Amt	Form Number	Limit of Liability	Premium
Item #1-B forms: 164							
2	A	Property Description: Condominium Association - Habitational 7600 Seawall, Galveston, Galveston County, TX, 77551 Complex: Captain`s Cove, Building: 2 Underwriting Details: Stories: 4; Construction: Brick; Roof: Shingles, Wood Adjustment amounts included in the premium for each item: Increased Cost of Construction Coverage (Form #432) (25%) \$3,545.00 Indirect Loss \$37,188.00 Deductible 1% (\$1000 min.) \$12,644.00 Item #2-A forms: 432 164 280 282	Waived 1%	\$39,040		\$3,904,000.00	\$26,125.00
2	B	Description: Personal Property located at: 7600 Seawall, Galveston, Galveston County, TX, 77551 Complex: Captain`s Cove, Building: 2 Underwriting Details: Stories: 4; Construction: Brick; Roof: Shingles, Wood Adjustment amounts included in the premium for each item: Deductible 1% (\$1000 min.) -\$1,001.00 Item #2-B forms: 164	80% 1%	\$5,200		\$520,000.00	\$3,351.00
3	A	Property Description: Condominium Association - Habitational 7600 Seawall, Galveston, Galveston County, TX, 77551 Complex: Captain`s Cove, Building: 3 Underwriting Details: Stories: 4; Construction: Brick; Roof: Shingles, Asphalt Adjustment amounts included in the premium for each item: Increased Cost of Construction Coverage (Form #432) (25%) \$2,544.00 Indirect Loss \$23,147.00 Deductible 1% (\$1000 min.) -\$6,944.00 Item #3-A forms: 432 164 280 282	80% 1%	\$23,078		\$2,307,772.00	\$18,747.00
3	B	Description: Personal Property located at: 7600 Seawall, Galveston, Galveston County, TX, 77551 Complex: Captain`s Cove, Building: 3 Underwriting Details: Stories: 4; Construction: Brick; Roof: Shingles, Asphalt Adjustment amounts included in the premium for each item: Deductible 1% (\$1000 min.) -\$377.00 Item #3-B forms: 164	80% 1%	\$2,650		\$265,000.00	\$1,841.00
4	A	Property Description: Swimming Pool (In-ground)	80% 1%	\$1,000		\$30,000.00	\$147.00

(This policy contains two parts. To be valid, both parts must be combined and the policy countersigned by the Texas Windstorm Insurance Association.)



Clarifying Language Regarding Mold, Fungi, and Other Microorganisms

Please read the following:

All Texas Windstorm Insurance Association (TWIA) policies issued after March 1, 2003 have a clarification added to the exclusion section of the policy. Please read the exclusion below, titled Mold Fungi, or Other Microorganisms. If you have questions relating to this clarification, please call your agent or TWIA at 1-800-788-8247.

This endorsement modifies insurance provided under each policy form listed below:

- TWIA Dwelling Policy
- TWIA Commercial Policy
- TWIA Texas Special Mobile Home Windstorm and Hail Insurance Policy

The following exclusion is added to each policy form as follows:

Exclusion 9. to the TWIA Dwelling Policy,
Exclusion 10. to the TWIA Commercial Policy,
After the second paragraph of SECTION III - SPECIFIC COVERAGE CONDITIONS to the TWIA Texas Special Mobile Home Windstorm and Hail Insurance Policy.

Mold, Fungi, or Other Microorganisms:

- a. Fungi or mold and other microorganisms when used in the policy or in this exclusion means the presence, growth, proliferation, spread or any activity of fungi or mold and other microorganisms.

This exclusion also applies to the cost:

- (1) To remove fungi or mold and other microorganisms from covered property covered under this Texas Windstorm Insurance Association policy.
 - (2) To tear out and replace any part of the building or other covered property as needed to gain access to the fungi or mold and other microorganisms; and
 - (3) Of testing of air or property to confirm the absence, presence or level of fungi or mold and other microorganisms;
- b. This exclusion applies unless the fungi or mold and other microorganisms are located upon the portion of covered property which must be repaired or replaced because of direct physical damage resulting from sudden and accidental wind or hail which would otherwise be covered under this policy. For purposes of this exclusion, sudden and accidental shall include a loss event that is hidden or concealed for a period of time until it is detectable. A hidden loss must be reported to us no later than 30 days after the date it was detected or should have been detected.
- c. However, the exception to the exclusion described in b. above does not include:
- (1) the cost to treat, contain, remove or dispose of the fungi or mold and other microorganisms beyond that which is required to repair or replace the covered property physically damaged by water;
 - (2) the cost of any testing of air or property to confirm the absence, presence or level of fungi, mold and other microorganisms whether performed prior to, during or after the removal, repair, restoration or replacement;
 - (3) the cost of any decontamination of the covered property covered under this Texas Windstorm Insurance Association policy;
 - (4) any increase in loss under this Texas Windstorm Insurance Association policy related to loss of use, debris removal, additional living expense, or diminution in value resulting from c. (1), (2), and (3).

Texas Windstorm Insurance Association

5700 South MoPac Expressway, Building A, Austin, Texas 78749
P.O. Box 99090, Austin, Texas 78709-9090
800-788-8247 / Fax 512-899-4950

COVERAGES - Windstorm and Hail Only

Attached to and forming part of Policy Number: TWIA-000825317-03

In consideration of the stipulations and conditions herein or added hereto which are made a part of this policy, and of the premiums provided, TWIA does insure the insured named above and legal representatives FROM the inception date shown above TO the expiration date shown above at 12:01 A.M. Standard Time at the location of property against direct loss resulting from the perils of Windstorm and Hail only which have a premium inserted opposite thereto and only on the property described and located as provided hereon.

Item No.	Coverage A/B	Property and Form Description	Coins %	Per Item / Per Occurrence Deductible % Amt	Form Number	Limit of Liability	Premium
<p>7600 Seawall, Galveston, Galveston County, TX, 77551 Complex: Captain's Cove</p> <p><i>Adjustment amounts included in the premium for each item:</i></p> <p>Increased Cost of Construction Coverage (Form #432) (25%) \$20.00 Deductible 1% (\$1000 min.) -\$22.00</p> <p><i>Item #4-A forms: 432 164</i></p> <p style="text-align: center;">----- End of Items Schedule -----</p>							



TEXAS WINDSTORM INSURANCE ASSOCIATION
Windstorm and Hail

**Endorsement No. (TWIA) 164 – Replacement Cost Coverage –
Coverage A (Building) and Coverage B (Business Personal Property)**

This endorsement applies only to those Items of Coverage for which this Endorsement No. (TWIA) 164 is scheduled on the Declarations page.

Your Duties After Loss Condition 4.a.(5) is replaced by the following:

4. Duties After Loss.

a. Your Duties After Loss.

- (5) You must keep an accurate record of repair expenses and proof of payment of any applicable Deductible. Upon completion of repairs or replacement, you may submit reasonable proof of repair expenses and payment of any applicable Deductible, including invoices, bills, statements, receipts, canceled checks, money order receipts, credit card statements, and a copy of an executed installment plan contract or other financing arrangement that requires full payment of the Deductible over time.

Our Duties After Loss Condition 4.b.(2) is replaced by the following:

4. Duties After Loss.

b. Our Duties After Loss.

- (2) Not later than the 60th day after the date we receive a claim or the 60th day after the date we receive information requested under Condition 4.b.(1), whichever is later, we shall provide you, in writing, notice of the amount of the loss we will pay, if any, and notice that:
- (i) we have accepted coverage for the claim in full;
 - (ii) we have accepted coverage for the claim in part and have denied coverage for the claim in part; or
 - (iii) we have denied coverage for the claim in full.

If we accept coverage for your claim under Coverage A (Building) or Coverage B (Business Personal Property) in full or part, our notification under this subsection will notify you of the deadlines for completion and documentation of repairs and for demanding appraisal of the "replacement cost" under Condition 6.c.

The following section c. is added to Loss Settlement Condition 6.:

6. Loss Settlement.

c. Our liability and payment for covered losses under Coverage A (Building) and Coverage B (Business Personal Property), excluding property described in Condition 6.c.(7), is modified as follows:

- (1) We will pay the smallest of the following:
- (a) The "replacement cost", meaning the amount actually and necessarily spent to repair or replace the damaged building(s) or business personal property; or
 - (b) The specified limit of liability of the policy.
- (2) We will pay no more than the "actual cash value" until repair or replacement is completed and documentation of "replacement cost" and payment of any applicable Deductible is submitted to us under Condition 4.a.(5).
- (3) You may request payment of "replacement cost" by submitting documentation to us of the completion of repairs or replacement, "replacement cost", and payment of the Deductible not later than the 545th day after the date we notify you of the amount we will pay under Condition 4.b.(2).

TEXAS WINDSTORM INSURANCE ASSOCIATION
Windstorm and Hail

- (4) Not later than the 30th day after the date that we receive documentation from you under Condition 6.c.(3), we will provide you, in writing, notice of:
- (a) the amount we will pay under Condition 6.c.(1); and
 - (b) the deadline to request appraisal of the "replacement cost" under Condition 6.c.(6).
- (5) If we notify you under Condition 6.c.(4) that we will pay your claim, or part of your claim, we must make payment not later than the 10th day after we notify you.
- (6) If you have not completed appraisal under Condition 11. of the amount we will pay under Condition 4.b.(2) and you dispute the amount we will pay for "replacement cost", you may demand appraisal of the "replacement cost" not later than the 30th day after the date you receive notice from us under Condition 6.c.(4). You may demand appraisal of "replacement cost" under this subsection without regard to whether all repairs related to the claim are complete. If you demand appraisal of "replacement cost" under this subsection, the appraisal will be conducted as follows:
- (a) You and we will each select a competent and independent appraiser. You shall notify us of your appraiser's identity. We shall notify you of our appraiser's identity within 10 days after we receive notice of your appraiser's identity. The two appraisers will choose a competent and independent umpire. If they cannot agree upon an umpire within 15 days, the commissioner of insurance shall select an umpire from a roster of qualified umpires maintained by the Texas Department of Insurance.
 - (b) The two appraisers will then determine the "replacement cost." If the appraisers fail to agree, they will submit their differences to the umpire. An itemized decision agreed to by any two of these three and filed with us will determine the "replacement cost".
 - (c) You and we are responsible in equal shares for paying the costs incurred or charged in connection with the appraisal, including expenses of the appraisers and umpire. If we pay more than our share of the costs of appraisal, our liability and payment for covered losses shall be reduced by the amount we pay in excess of our share.
 - (d) The appraisal decision is binding upon you and us and is not otherwise reviewable or appealable except as provided by Condition 11.g. and 11.h.
- (7) Condition 6.c. does not apply to the following property:
- (a) Stock (raw, in process, or finished) or merchandise, including materials and supplies in connection therewith;
 - (b) Property of others;
 - (c) Personal property usual to a residence;
 - (d) Books of account, abstracts, manuscripts, drawings, card index systems and other records or storage media (including film, tape, disc, drum, cell and other magnetic recording or storage media);
 - (e) Paintings, etchings, pictures, tapestries, statuary, marbles, bronzes, antique furniture, rare books, antique silver, porcelains, rare glassware, bric-a-brac or other articles of art, rarity or antiquity;
 - (f) Outdoor equipment, except equipment used in the service of the building; or
 - (g) Window or wall air conditioning units.
- However, Condition 6.c. applies to property described subsections (7)(a) through (7)(f) if you are a church, school, or hospital.

The following is added to the DEDUCTIBLE clause:

We may refuse to pay Replacement Cost Coverage under this endorsement until we receive reasonable proof of payment by you of any Deductible applicable to the claim. Reasonable proof of payment includes a canceled check, money order receipt, credit card statement, and a copy of an executed installment plan contract or other financing arrangement that requires full payment of the deductible over time.

All other terms and conditions of the policy apply.

Endorsement No. (TWIA) 164 - Replacement Cost Coverage – Coverage A (Building) and Coverage B (Business Personal Property)
Edition Date: November 8, 2019

Texas Windstorm Insurance Association
Windstorm and Hail

Condominium Property Form
Additional Policy Provisions

Attached to and forming part of Policy No. TWIA-000825317-03 of the Texas Windstorm Insurance Association, issued at its Austin, Texas agency.

Dated: March 23, 2021

John Polak, Agent

Items: See Policy Declarations

This policy is amended as follows:

1. Covered Property

Covered Property, as defined in this policy, is limited to property in which each of the condominium unit owners has an undivided interest.

2. Conditions:

a. The insurance will not be prejudiced:

- (1) by any act or neglect of any occupants or owners of the buildings, when such act or neglect is not within the control of the Insured (or unit owners collectively) or
- (2) by failure of the insured or unit owners collectively to comply with any warranty or condition with regard to any portion of the premises over which the insured (or unit owners collectively) has no control.

No action or omission by a unit owner, unless within the scope of the unit owner's authority on behalf of the association, will void the policy or be a condition to recovery under the policy.

b. Loss Payment

A claim under this policy must be submitted by and adjusted with you. If you designate an insurance trustee, we will pay the insurance trustee designated for that purpose. If you have not designated an insurance trustee, we will pay the association, but not an individual unit owner or lienholder.

c. Other Insurance

If at the time of loss there is other insurance in the name of a Unit Owner covering the same property covered by this policy, the insurance afforded by this policy will be primary, and not contributing with the other insurance.

d. Subrogation (Transfer of Rights of Recovery Against Others to Us)

We waive our rights of subrogation against:

- (1) any Unit Owner, or members of the household;
- (2) members of the association;
- (3) members of the board of directors;
- (4) the developer in his capacity as unit owner or board member, but not as developer.

e. Mortgage Clause

- (1) Subject to the provisions of the Mortgage Clause of this policy, we will adjust any loss with you, but we will make loss payment to the insurance trustee designated by the governing body of the Association.
- (2) Our payment to the insurance trustee will be a complete discharge of our liability for loss under this policy.
- (3) If the Condominium is terminated, we will make payment for loss or damage to building or structures to each mortgage holder shown in the Declarations as their interest may appear.
- (4) If the Condominium is terminated, we will make payment for loss or damage to each mortgage holder shown in the Declarations as their interest may appear. All other loss payment conditions remain the same.

f. Cancellation

If this policy covers a condominium association, and the condominium property contains at least one residence or the condominium declarations conform with the Texas Uniform Condominium Act, then the notice of cancellation, as described in the policy, will be provided to you 30 days before the effective date of cancellation. We will also provide 30 days written notice to any mortgage holder named in the Declarations or each unit-owner to whom we issued a certificate or memorandum of insurance by mailing or delivering the notice to each at the last mailing address known to us.

Prescribed by the Texas Department of Insurance
Form No. TWIA - 280 - Condominium Property Form - Additional Policy Provisions
Effective: November 27, 2011



Texas Windstorm Insurance Association
Windstorm and Hail

Condominium Property Form
Additional Policy Provisions

Attached to and forming part of Policy No. TWIA-000825317-03 of the Texas Windstorm Insurance Association, issued at its Austin, Texas agency.

Dated: March 23, 2021

John Polak, Agent

Items: See Policy Declarations

This policy is amended as follows:

Covered Property

BUILDING(S), when designated by an "X" in the box(es) of this endorsement, will also include:

- | | |
|---|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| X | 1. Fixtures, installations or additions comprising a part of the building within the unfinished interior surfaces of the perimeter walls, floors and ceilings of individual condominium units initially installed, or replacements thereof, in accordance with the original condominium plans and specifications. |
| | 2. Fixtures, installations or additions comprising a part of the building within the unfinished interior surfaces of the perimeter walls, floors and ceilings of individual condominium units initially installed, or replacements thereof, in accordance with the original condominium plans and specifications, or installed by or at the expense of the Unit Owners. |

Prescribed by the Texas Department of Insurance
Form No. TWIA - 282 - Condominium Property Form - Additional Policy Provisions
Effective: June 15, 1999

The total limit of liability under this extension for each building item designated is shown by the following percentage as indicated:

ICC Limit:	Building Item Number(s):
25% of the Coverage A (Building) limit of liability	1
25% of the Coverage A (Building) limit of liability	2
25% of the Coverage A (Building) limit of liability	3
25% of the Coverage A (Building) limit of liability	4

This coverage is additional insurance, however in no event will payment of a covered loss under this policy including this endorsement exceed the total maximum limit of liability established by law that can be insured by the Texas Windstorm Insurance Association.

All other Terms of the policy apply.

**Prescribed by the Texas Department of Insurance
Form No. TWIA - 432 - Extension of Coverage - Increased Cost of Construction
Effective: April 1, 2008**

Texas Windstorm Insurance Association

Windstorm and Hail

Extension of Coverage - Increased Cost of Construction

Attached to and forming part of Policy No. TWIA-000825317-03 of the Texas Windstorm Insurance Association issued at its Austin, Texas agency.

Dated: March 23, 2021

John Polak, Agent

When this endorsement is attached to the policy, this endorsement determines coverage to the extent that it is in conflict with the policy and/or General Exclusion 8.

In consideration of an additional premium shown on the declarations page, this policy is modified to provide the following coverage:

1. Subject to the maximum limit of liability established by law as described below, if a covered building or other covered structure is damaged by windstorm or hail, we will pay for the increased costs that you incur due to the enforcement of any ordinance or law, which requires or regulates:
 - a. the construction, demolition or repair of that part of a covered building or other covered structure damaged by windstorm or hail;
 - b. the demolition and reconstruction of the undamaged part of a covered building or other covered structure, when that building or other structure must be totally demolished because of damage by windstorm or hail to another part of that covered building or other covered structure; or
 - c. the removal or replacement of the portion of the undamaged part of a covered building or other covered structure necessary to complete the repair or replacement of that part of the covered building or other covered structure damaged by windstorm or hail.

You may use all or part of this coverage to pay for the increased costs you incur to remove debris resulting from the construction, repair or replacement of property as stated in 1 above.

2. When a covered structure is damaged by windstorm or hail, we will also pay the increased cost of construction you incur due to the requirement to rebuild or repair the structure in accordance with the windstorm code applicable to the specific area in which the structure is located in order to maintain insurance through the Texas Windstorm Insurance Association.

This is additional insurance and does not reduce the limit of liability applicable to Coverage A (Building), but the total limit of liability for the coverage A (Building) limit and the limit for Increased Cost of Construction cannot exceed the maximum limit of liability permitted by law.

3. Building Ordinance or Law Coverage Limitations.

We will not pay for the increased cost of construction:

- a. if the building or structure is not rebuilt or repaired;
- b. if the rebuilt or repaired building or structure is not intended for similar occupancy as the current building or structure;
- c. to relocate the insured building or structure(s), either on the same premises or to another location, or to demolish and reconstruct a building or structure that requires relocation;
- d. until the building or structure is actually repaired or rebuilt at the same premises; or
- e. unless the rebuilding or repairs are made as soon as reasonably possible after the loss or damage, not to exceed two years after the loss

4. We do not cover:

- a. the loss in value to any covered building or other structure due to the requirements of any ordinance or law; or
- b. fees charged by a qualified inspector for windstorm and hail insurance inspections pursuant to Chapter 2210, Subchapter F, of the Texas Insurance Code; or
- c. the costs to comply with any ordinance or law which requires any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, assess the effects of, pollutants on any covered building or other structure.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste, asbestos and asbestos-containing materials. Waste includes material to be recycled, reconditioned or reclaimed.

Prescribed by the Texas Department of Insurance
Form No. TWIA - 432 - Extension of Coverage - Increased Cost of Construction
Effective: April 1, 2008



**TEXAS WINDSTORM
INSURANCE ASSOCIATION**

How to File a Claim

Please keep this informational sheet in an easily-accessible place or in your emergency contacts file.

Write down your policy number here: _____

Ways to File a Claim

- Call TWIA's 24-hour Claims Center at 800-788-8247
- Visit www.twia.org/ClaimsCenter to report a new claim or check the status of an existing claim from your computer or any mobile device
- Contact your agent

Information You Will Need to File Your Claim

- Your TWIA policy number
- The best contact information to reach you
- Brief details of what was damaged and how it happened

After You File a Claim

- Make temporary repairs to protect your property (see "Making Repairs in the Event of a Loss"). Save receipts. Do not make any permanent repairs until you discuss your claim with a TWIA representative.
- TWIA will send you a letter acknowledging your claim and provide the name of the TWIA representative assigned to help with your claim.
- The TWIA representative will call you to discuss your claim and may schedule an adjuster or other expert to inspect your damaged property.
- In instances where an adjuster or expert inspects the damaged property, they will report their findings and recommendations to TWIA.
- The final decision on your claim will be made by TWIA. You will receive a detailed letter explaining TWIA's decision on your claim.
- If you are due a payment for your loss, a check will be issued and sent to you.

Information to Provide Your TWIA Representative

- **Inventory:** If coverage is provided on your personal or business personal property, provide an inventory of these damaged items. Include a description and age of each item, its original cost, and the estimated replacement cost.
- **Documentation:** Any documentation of the damage you claim. This includes reports, estimates, invoices, receipts, photos, and videos.
- **Other Claims:** Information on any other water damage, structural damage, or previous repairs, whether due to plumbing leaks, flood, air-conditioning system leaks, foundation settlement, or other sources.
- **Additional Information Requested by TWIA:** Within 30 days after the date your claim is reported, TWIA may send a written request for additional information necessary to resolve your claim. Please promptly provide TWIA with the requested information.

Texas Windstorm Insurance Association

5700 South MoPac Expressway, Building A, Austin, Texas 78749
P.O. Box 99090, Austin, Texas 78709-9090
800-788-8247 / Fax 512-899-4950



Making Repairs in the Event of a Loss

In the event of a loss, first and foremost, continue to ensure the safety of you and your family. If there is any major structural damage, call authorities before entering the building. After you have filed a claim, make temporary repairs to protect your property.

Temporary Repairs

After a loss, make temporary repairs as quickly as possible to prevent further damage.

- Before tearing out, removing, or covering over damaged property or debris, take pictures or videotape if possible. Keep any damaged property until the adjuster sees it and approves of disposal.
- Board broken windows, cover openings with a tarp or plastic to prevent additional water damage, and stop interior leaks. Dry out water damaged and wet areas immediately.
- Keep invoices and receipts for your temporary repairs. If your loss is covered by the policy, reasonable costs for temporary repairs are covered.
- Do not make permanent repairs, such as roof replacement or asphalt patches, until the adjuster has made an inspection. The adjuster needs to be able to see the damage and determine if it is from windstorm or hail.

Permanent Repairs

Whether or not you ultimately have a covered claim, you may need to make permanent structural repairs to your property. To be eligible for insurance through TWIA, many structural repairs must be certified by a Texas Department of Insurance (TDI) appointed qualified inspector or by a Texas licensed professional engineer.

Certificates of Compliance (WPI-8 or WPI-8-C) are issued to certify compliance with the applicable windstorm building code for the area. Without a Certificate of Compliance, TWIA lacks evidence that the structure conforms to the applicable building code, and the structure may be considered ineligible for coverage with TWIA. The WPI-8 certification inspections are done before and during the repair process, if completed by a TDI inspector.

For more information about eligibility requirements, visit www.twia.org/windstorm-certification-requirements. The TDI website provides a list of repairs that do not require inspection and certification. For more information or to contact someone with the TDI Windstorm Inspections Program, you can call 800-248-6032 or go to the TDI website at www.tdi.state.tx.us.

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P.O. Box 99090, Austin, Texas 78709-9090
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TWIA Privacy Policy

Protecting your privacy is important to us. We want you to understand what information we collect and how we use it. This notice sets forth our policy for the collection, use, and security of your nonpublic personal financial information.

Information Collected

As a part of our business, we may collect "nonpublic personal financial information" about you in order to provide a financial product or service to you. This includes information we receive from you on applications or other forms, information about your transactions with us or others, and information we receive from a consumer reporting agency.

Information Disclosure

We may disclose the following kinds of nonpublic personal financial information about you:

- Information we receive from you on application or other forms such as your name, address or other information; and
- Information about your transactions with us such as your policy coverage, limits of liability and premiums.

Disclosure to Third Parties

We may disclose nonpublic personal information about you to the following types of third parties:

- Insurers that are eligible under TWIA's clearinghouse process and procedures and have agreed to abide by TWIA's policies regarding use of the disclosed information and researchers.

We may also disclose nonpublic personal financial information about you to nonaffiliated third parties as permitted by law.

Option to Limit Disclosure

If you prefer that we not disclose nonpublic personal financial information about you to nonaffiliated third parties, you may direct us not to make those disclosures (other than disclosures permitted by law). Your option to request we not disclose nonpublic personal financial information about you will apply to the windstorm insurance coverage you have obtained from us.

If you wish to limit disclosure, you must complete the enclosed form and return it to TWIA within 30 days of the date this notice was mailed. If you direct us not to disclose nonpublic personal financial information about you (other than as permitted by law), your election will apply to all named insureds on the policy.

If you do not wish to limit disclosure, no action on your part is required.

Our Security Procedures

We restrict access to nonpublic personal financial information about you to those persons who need to know that information, to provide products or services to you and disclose such information only for legitimate business or legal reasons. We maintain physical, electronic, and procedural safeguards that comply with federal regulations and applicable state law to protect your nonpublic personal financial information.

This notice has been provided to you pursuant to the Gramm-Leach-Bliley Act and the rules of the Texas Department of Insurance, which require a financial institution, such as an insurer, to notify customers of its privacy practices and procedures on an annual basis.

Texas Windstorm Insurance Association
5700 South MoPac Expressway, Building A, Austin, Texas 78749
P.O. Box 99090, Austin, Texas 78709-9090
800-788-8247 / Fax 512-899-4950



Texas Windstorm Insurance Association Disclosure Limitation Reply Form

If you do not want your nonpublic personal financial information disclosed by the Texas Windstorm Insurance Association, please complete the information below and mail the completed form to:

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Policy number: TWIA-000825317

Insured's signature: _____

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Texas Windstorm Insurance Association
5700 South MoPac Expressway, Building A, Austin, Texas 78749
P.O. Box 99090, Austin, Texas 78709-9090
800-788-8247 / Fax 512-899-4950

CAPTAIN'S COVE RESORT

DECLARATION ESTABLISHING A CONDOMINIUM REGIME, COVENANTS, CONDITIONS AND RESTRICTIONS

THE STATE OF TEXAS *

* KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF GALVESTON*

That this DECLARATION was originally made the 15th day of April, 1983, by Sunward Developers, Inc., a Texas corporation, acting herein by and through its duly authorized officers, with its principal office in Galveston County, Texas, and Dwelling Development, Inc., a Texas corporation, acting herein by and through its duly authorized officers, with its principal office in Galveston County, Texas, hereinafter jointly referred to as "Developer", pursuant to the provisions of Article 1301a Of the Revised Civil Statutes of the State Of Texas ("the Condominium Act".) Now, this DECLARATION is amended this 1st day of May 2021 by the Board of Directors of Captains Cove and the developer Captains Cove Holdings LLC.

RECITALS

A. Captains Cove Holdings LLC ("Developer") is the owner of that certain parcel of real property described in Exhibit "A" attached hereto and made a part hereof for all purposes, hereinafter sometime referred to as "the Land"; and

B. All construction is done and there exist 52 units of whole ownership at 7600 Seawall Blvd, Galveston, Texas 77551.

NOW, THEREFORE, Developer does hereby declare that the Land, the Building(s) all improvements and structures constructed or to be constructed thereon, shall remain subject to the uses, covenants, conditions, restrictions, easements, charges, liens, and limitations set forth herein, as covenants running with the land, are shall remain submitted to a Condominium Regime pursuant to the Condominium Act, for the declared purposes of enhancing the desirability, attractiveness, and value of the Condominium Project, for the use and benefit of and to be binding upon all parties having or acquiring any right, title, or interest therein or any part thereof, their successors, and assigns:

ARTICLE I DEFINITIONS AND DESCRIPTIONS

As used in this Declaration, the Articles of Incorporation of the Association, the Bylaws, and the Exhibits attached hereto, and all amendments thereof, unless the context requires otherwise, the following definitions shall prevail:

1.01 "Association," means the Texas non—profit corporation (existing or to be created), the member of which shall be all Unit Owners; and it shall be and perform as the 'Council of co—owners' under the Condominium Act. The name of the Association is: Captain's Cove Resort Association.

1.02 "Association Properties," means that real and personal property owned by the Association.

1.03 "Board of Directors," means the board of directors of the Association.

1.04 "Building(s)," means the structure(s) erected or to be erected upon the Land in the location(s) shown on Exhibit "B" and as further described in Exhibit "C", each Building being denoted by Letter, viz: A, B, and C.

1.05 "Bylaws," means the bylaws of the Association, as amended from time to time, and shall be understood to be the 'bylaws' referred to in the Condominium Act.

1.06 "Common Elements," mean the portions of the condominium Project, except the Units and the areas owned by the Developer and consists of the General Common Elements and the Limited Common Elements.

1.07 "Condominium," means the separate ownership of Units in the Building(s) together with an undivided share of the Common Elements as an appurtenant thereto.

1.08 "Condominium Project," means this real estate project whereby 51 Units in existing or proposed Building(s) are offered or proposed to be offered for sale; the name of which is: Captain's Cove Resort.

1.09 "Declaration, " means this document establishing the property as a condominium regime, as it may be amended from time to time.

1.10 "Developer," means the person named hereinabove who undertakes to develop the Condominium Project referred to herein.

1.11 "General Common Elements," means and includes:

- 1) The Land on which the Building(s) stand(s);
- 2) The foundations, bearing walls and columns, the floor between each floor located within a Unit, roofs, halls, lobbies, stairways, and entrances and exits or communication ways;
- 3) The yards and gardens, if any;
- 4) The compartments or installation of central services such as electricity, natural gas, hot and cold water, sanitary sewers, central television systems, telephone systems, reservoirs, tanks, pumps, and swimming pool.
- 5) The devices or installations existing or acquired for common use;

- 6) All other elements of the Building(s) desirable or rationally of common use or necessary to the existence, maintenance, and safety of the condominium regime.

“General Common Elements,” does not include:

- 1) The premises for the lodging of persons in charge of management or care of the Condominium Project;
 - 2) The lobby and front desk area;
 - 3) Certain storage units;
 - 4) The commercial laundry room and equipment.
- The Developer owned areas are leased back to the association and such lease access and rights become common to all owners.

1.12 “Limited Common Elements,” means and includes those Common Elements reserved for the use of a certain Unit or number of Units to the exclusion of the other Units some of which elements are so designated in Exhibit’s “B”, and “C”.

- 1) Where any chute, flue, duct, wire, conduit, bearing wall, bearing column, or any other fixture lies partially within and partially outside the designated boundaries of a Unit, any portions thereof serving only that Unit is a Limited Common Element allocated solely to that Unit, and any portion thereof serving more than one Unit, or any portion of the Common Elements is a part of the General Common Elements.
- 2) Any shutters, awnings, window boxes, doorsteps, stoops, porches, balconies, patios, and all exterior doors and windows or other fixtures designed to serve a single Unit, but located outside the Unit’s boundaries, are Limited Common Elements allocated exclusively to that Unit.

1.13 “Majority of Unit Owners,” means the same as ‘majority of co-owners’ in the Condominium Act and is the Unit Owners with 51% or more of the votes weighed so as to coincide with percentages assigned in Exhibit “D” attached and a part hereof.

1.14 “Management Agreement,” means and refers to that agreement between the Association and the Management Firm.

1.15 “Management Firm”, means and refers to the entity identified as the Manager in the Management Agreement.

1.16 “Member,” means the Unit Owner as member of the Association.

1.17 “Mortgagee,” means the holder of promissory note, the payment of which is secured by a first lien deed of trust (mortgage) of a Unit.

1.18 “Occupant,” means a person, or persons, other than a Unit Owner, in possession of a Condominium Unit.

1.19 "Percentage Interest," means the percentage interest which a Unit bears to the total percentage interest of all Units, the sum of all such percentage interest being 100%. The Percentage Interest of each Unit is designated in Exhibit "D" attached and a part hereof.

1.20 "Person" means an individual, firm, corporation, partnership, association, trust, or other legal entity or any combination thereof.

1.21 "Property," means and includes the Land and the Building (s), all improvements and structures thereon and all easements, rights and appurtenances belonging thereto.

1.22 "To Record," or "Record," means to record in the office of the County Clerk of the county in which the Property is situated, in accordance with the provisions of Title 115, Revised Civil Statutes of Texas, 1925, as amended.

1.23 "Unit," is the same as 'apartment' under the Condominium Act, and means an enclosed space consisting of one (1) or more floors or stories and having a direct exit to a thoroughfare or to a given common space leading to a thoroughfare.

- 1) The boundaries of a Unit shall be and are the unfinished or undecorated interior surfaces from the studs in of its perimeter walls, floors, and ceilings; and the Unit includes the airspace so encompassed, excepting Common Elements.
- 2) All lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring, and any other materials constituting any part of the finished surfaces thereof are a part of the Unit, and all other portions of the walls, floors, or ceilings are a part of the Common Elements.
- 3) All spaces, interior partitions, and other fixtures and improvements within the boundaries of a Unit are part of the Unit.
- 4) In interpreting deeds, mortgages, deeds of trust, and other Instruments, the existing physical boundaries of a Unit or of a Unit reconstructed in substantial accordance with the original plans thereof shall be conclusively presumed to be its boundaries regardless of settling, rising, or lateral movement of the Building and regardless of variances between boundaries shown on the plat and those of the Building.
- 5) The Units are shown and designated by Numbers in Exhibits "B" and/or "C".

1.24 "Unit Owner," or "Owner," means the same as 'co-owner' in the Condominium Act and is the person who owns a Unit and a Percentage Interest of the Common Elements within this Condominium Project but does not include a person having an interest in a Unit solely as security for an obligation.

ARTICLE II
USE AND OCCUPANCY RESTRICTIONS

The restrictions on the use and occupancy of the Property shall be as follows:

2.01 RESIDENTIAL AND RESORT USE. The owner of a Unit shall occupy and use his unit as residential and resort dwelling for himself and members of his family, his social guests, lessees, and for no other purposes.

2.02 PROHIBITED ACTS. A Unit Owner shall not permit or suffer anything to be done or kept in his Unit, the Limited Common Elements, or the General Elements which:

- 1) Will increase the rate of insurance in the property;
- 2) Will result in the cancellation of insurance on any Unit or any part of the Property;
- 3) Will obstruct or interfere with the rights of other Unit Owners;
- 4) Will be in violation of any law, the Declaration, Bylaws, or Rules and Regulations;
- 5) Will commit any waste in any part of the property;
- 6) Would be noxious or offensive to a reasonable person;
- 7) May be or become an annoyance or nuisance to other Unit Owners.

2.03 COMMON ELEMENTS. The Limited Common Elements and the General Common Elements shall not be used in any manner contrary to or not in accordance with such rules and Regulations pertaining thereto.

2.04 MINERAL OPERATIONS. No gas or oil drilling, development, or refining nor quarrying or mining operations of any kind shall be permitted upon any part of the property.

2.05 CONSTRUCTION IN COMMON ELEMENTS. Nothing shall be altered or constructed in or removed from the Common Elements, except upon prior written consent of the Association and its Rules and Regulations, as amended from time to time, a Unit Owner shall not cause or permit on the exterior of his unit, Limited Common Elements, or the General Common Elements outside his Unit any of the following;

- 1) An observable immaterial thing (including signs and displays);
- 2) Ground cover, plant, shrubbery, flower, or vine;
- 3) Awnings, storm-shutters, screens, or window coverings; and
- 4) Furniture, appliance, or equipment.

2.06 USE FOR SALES PURPOSES. Developer may maintain models, sales, and administrative offices in any of the Units owned by Developer; may maintain signs, displays and sales office on the Common Elements to aid in the sale of the Units; may use portions of the property and Association properties for parking for prospective purchasers and other invitees of Developer.

ARTICLE III
PROPERTY RIGHTS AND INTERESTS

- 3.01 CONVEYANCE AND ENCUMBRANCE OF UNITS. A Unit may be individually conveyed and encumbered and may be the subject of ownership, possession, or sale and of all types of judicial acts, as if it were entirely independent of the other units in the Condominium project.
- 3.02 JOINT OR COMMON OWNERSHIP OF UNIT. Any Unit may be jointly or commonly owned by more than one person.
- 3.03 OWNERSHIP OF UNIT AND SHARE IN COMMON ELEMENTS. An Owner shall have an exclusive ownership to his Unit and shall have a common right to share, with other Owners, in the Common Elements of the Property. Each unit Owner's share in the Common Elements shall be according to the Percentage Interest shown in Exhibit's "D". Each Owner may use the Common Elements in accordance with the purpose for which they are intended, as Shown on Exhibit "B" and Exhibit "C" or expressed in this Declaration, the Bylaws, or the Rules and Regulations, without hindering or encroaching upon the lawful rights of the other Owners.
- 3.04 COMMON ELEMENTS; PARTITION; MORTGAGES. The Common Elements, both General and Limited, shall remain undivided and shall not be the object of any action for partition or division of the co-ownership by the Unit Owners so long as suitable for a Condominium Regime; and, in any event, all mortgages must be paid prior to the bringing of an action for partition or the consent all mortgagees must be obtained. Any covenant or action to the contrary shall be void.
- 3.05 DEED OF UNIT. The deed to each Unit shall describe the Unit in accordance with a reference to the Exhibits included in this Declaration and the Percentage Interest therein conveyed. An individual Unit shall not be conveyed separate from the undivided interest in the Common Elements and vice versa, and any conveyance of a Unit shall be deemed to also convey the undivided interest of the Owner in the Common Elements, both General and Limited, appertaining to the Unit without specifically or particularly referring to the same.
- 3.06 REGROUPING AND MERGER OF ESTATES. All of the Owners or the sole owner of the Building (s) constituted into this Condominium Regime may waive this regime and request the County Clerk to regroup or merge the records of the filial estates with the principal property, provided, that the filial estates are unencumbered, or, if encumbered, that the creditors in whose behalf the encumbrances are recorded agree to accept as security the undivided portions of the property owned by the debtors. The undivided interest in the Property owned in common which shall appertain to each Owner shall be the Percentage Interest previously owned by such Owner in the Common Elements. However, the merger provided for in this Section shall in no way bar the subsequent constitution of the Property provisions of the Condominium Act.

3.07 OWNER'S MAINTENANCE AND REPAIR EASEMENT. Each Owner shall have easements to, through and over the General and Limited Common Elements reasonably necessary to carry his maintenance, repair, and replacement responsibilities hereunder; provided, however, he shall not impair the structural integrity of the Building(s), adversely affect any other Unit, nor alter the external appearance of the Building(s) without prior written consent of the Association.

3.08 ASSOCIATION'S EASEMENT. The Association, or its agent, shall have Easements to, through and over each Unit (upon notice to Owner and during reasonably working times) as may be reasonably necessary to carry out its maintenance, repair, and replacement responsibilities hereunder.

3.09 PUBLIC UTILITY ACCESS. Public or private utility companies furnishing services to the Condominium Project for common use (e.g., water, sanitary sewer, natural gas, electricity, telephones, and television, if any) shall have access to the General and Limited Common Elements and each Unit as may be reasonably necessary for the installation, maintenance, or replacement of such services.

- 1) The Association shall submit its statement to the holdover owner as provided for hereinabove. In the event the holdover owner fails to pay the same within ten (10) days of the date thereof, a lien shall be and is hereby fixed against the holdover owner's interest in the Unit in accordance with other provisions of this Declaration.
- 2) The foregoing provisions shall not abridge the Association's rights to take such other action as is provided by this Declaration, or law, including, but not limited to, forcible detainer or other eviction proceedings.

3.10 DEVELOPER'S RESERVATIONS. The Developer reserves the right to change the interior design and arrangement of all Units and to alter the boundaries between Units, as long as the Developer owns the Units so altered; however, no such alterations shall increase the number of Units nor alter the boundaries of the Common Elements, except the party wall between any Units, without amendment of this Declaration set forth hereinafter. In the event the Developer shall make any such changes in Units, such changes shall be reflected by an Amendment of this Declaration, including such plats, and building plans to reflect such alterations.

ARTICLE IV ADMINISTRATION OF THE CONDOMINIUM REGIME

4.01 IN GENERAL. The administration of this Condominium Regime shall be governed by the Association in accordance with the Condominium Act, this Declaration, the Articles of Incorporation of the Association, and the Bylaws of the Association.

4.02 ORGANIZATION OF ASSOCIATION.

has been organized. The Membership of the Association at all times shall consist exclusively of all the Unit Owners.

4.03 POWERS OF ASSOCIATION. Subject to the provisions of this Declaration, the Association may:

- 1) Adopt and amend Bylaws, Rules, and Regulations;
- 2) Adopt and amend budgets for revenues, expenditures, and reserves and collect assessments for Common Expenses from Unit Owners;
- 3) Hire and terminate managing agents and other agents, employees, and independent contractors;
- 4) Make contracts and incur liabilities;
- 5) Regulate the use, maintenance, repair, replacement, and modification of Common Elements;
- 6) Cause additional improvements to be made as a part of the Common Elements;
- 7) Acquire, hold, encumber, and convey in its own name any right, title, or interest to real or personal property;
- 8) Grant easements, leases, licenses, and concessions through or over the Common Elements;
- 9) Impose and receive any payments, fees, or charges for the use, rental, or operation of the Common Elements other than Limited Common Elements;
- 10) Impose charges for late payment of Assessments and, after notice and an opportunity to be heard, levy reasonable fines for violations of the Declaration, Bylaws, and Rules and Regulations of the Association;
- 11) Impose reasonable charges for the preparation and recordation of amendments to the Declaration, resale certificates, or statements of unpaid assessments;
- 12) Provide for the indemnification of its officers and Board of Directors and maintain directors' and officers' liability insurance;
- 13) Exercise any other powers conferred by the Declaration or Bylaws;
- 14) Exercise all other powers that may be exercised in Texas by non-profit corporations; and
- 15) Exercise any other powers necessary and proper for the governance and operation of the Association.

Notwithstanding the foregoing portion of this Section, this Declaration does not impose limitations on the power of the Association to deal with the Developer that are more restrictive than the limitations imposed on the power of the Association to deal with other persons.

4.04 BOARD OF DIRECTORS AND OFFICERS.

- 1) Except as provided in this Declaration, the Bylaws, or in Paragraph (2) hereinafter, or the Condominium Act, the Board of Directors may act in all instances on behalf of the Association.
- 2) The Board of Directors may not act on behalf of the Association to amend this Declaration, to terminate the Condominium Regime, or to elect directors

of the Board of Directors or determine the qualifications, powers and duties, or terms of office of the Board of Director members, but the Board of Directors may fill vacancies in its membership for the unexpired portion of any term.

- 3) Subject to the provisions in this paragraph (3) Developer shall control the Association, during which period Developer, or persons designated by Developer, may appoint, and remove the officers and members of the Board of Directors. Such period of Developer control extends from the date of the first conveyance of any interest in a Unit to a person other than Developer for a period of two (2) years. Regardless of such two (2) year period the period of Developer control terminates no later than sixty (60) days after conveyance of forty-five (45) of the Units to the Unit Owners other than Developer. Developer may voluntarily surrender the right to appoint and remove officers and members of the Board of Directors before termination of that period.
- 4) No later than the termination of any period of Developer control, the unit Owners shall elect a Board of Directors of at least three members, all of whom must be Unit Owners. The Board of Directors shall elect the officers. The persons elected shall take office upon election.

4.05 ACTIONS ON BEHALF OF OWNERS. Without limiting the rights of any Owner, action may be brought by the Association, and in the discretion of the Association, on behalf of itself or two (2) or more of the Owners, as their respective interests may appear, with respect to any cause of action relating to the Common Elements of more than one (1) Unit.

4.06 BYLAWS. the Bylaws of the Association provide for:

- 1) The number of directors of the Board of Directors and the titles of the officers of the Association;
- 2) Election by the Board of Directors of a president, treasurer, secretary, and any other officers of the Association the Bylaws specify;
- 3) The qualifications, powers and duties, terms of office, and manner of electing and removing Directors and officers and filling vacancies;
- 4) Which, if any, of its powers the Board of Directors or officers may delegate to other persons or to a managing agent; and
- 5) Which of its officers may prepare, execute, certify, and record amendments to this Declaration on behalf of the Association.

Subject to the provisions of this Declaration, the Bylaws may provide for any other matters the Association deems necessary and appropriate.

4.07 MEETINGS OF MEMBERS. The Bylaws require that meetings of the Members of the Association be held at least once each year and provide for special meetings. The Bylaws specify which of the Association's officers, not less than ten (10) nor more than fifty (50) days in advance of any meeting, shall cause notice to be hand-delivered or sent via electronic or United States

mail to the email address or mailing address of each Unit or to any other mailing address designated in writing by the Unit Owner. The notice of any meeting must state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to this Declaration or Bylaws.

4.08 QUORUMS. Quorums for meetings of the Members of the Association and the Board of Directors shall be as follows:

- 1) A quorum is deemed present throughout any meeting of the Members of the Association if persons entitled to cast fifty percent (50%) of the votes which may be cast for election of the Board of Directors are present in person or by proxy at the beginning of the meeting.
- 2) A quorum is deemed present throughout any meeting of the Board of Directors if Directors entitled to cast a majority of the votes on that Board of Directors are present at the beginning of the meeting.

4.09 VOTING: PROXIES. The Owner of each Unit shall be entitled to one (1) vote.

- 1) The vote allocated to a Unit may be cast pursuant to a proxy duly executed by a Unit Owner. A Unit Owner may not revoke a proxy given pursuant to this section except by actual notice of revocation of the person presiding over the meeting of the members of the Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates eleven (11) months after its date unless it specifies a shorter term.
- 2) The Bylaws may provide for administrative voting procedures.

4.10 MANAGEMENT AGREEMENT. The Association has entered into a Management Agreement.

The Association has delegated to the Management Firm the power of the Association, through its Board of Directors to determine the budget, make assessments for common expenses and collect assessments. Each Unit Owner, his heirs, successors, and assigns, shall be bound by said Management Agreement for the purposes therein expressed, including but not limited to:

- 1) Adopting, ratifying, confirming, and consenting to the execution of said Management Agreement by the Association.
- 2) Covenanting and promising to perform each and every of the covenants, promises, and undertakings to be performed by Unit Owners in the cases provided therefore in said Management Agreement.
- 3) Ratifying, confirming, and approving each and every provision of said Management Agreement, and acknowledging that all of the terms and provisions thereof are reasonable.

- 4) Agreeing that the persons acting as Directors and Officers of the Association entering into such an Agreement have not breached any of their duties or obligations to the Association.
- 5) It is specifically recognized that some or all of the persons comprising the original Board of Directors of the Association, are or may be stockholders, officers, and Directors of the Management Firm, and that such circumstances shall not and cannot be construed or considered as a breach of their duties and obligations to the Association, nor as possible grounds to invalidate such Management Agreement, in whole or in part.
- 6) The acts of the Board of Directors and Officers of the Association in entering into the Management Agreement be and the same are hereby ratified, approved, confirmed, and adopted.

4.11 ADMINISTRATION AND ENFORCEMENT OF DECLARATION, BYLAWS AND RULES. The Association or any Owner may utilize any of the rights and remedies set forth below, for the enforcement of all restrictions, conditions, covenants, reservations, liens, bylaws, rules, charges, and liabilities imposed by the provisions of this Declaration, the Bylaws, or Rules and Regulations. Failure of the Association or any Owner to enforce shall not be deemed a waiver of the right to do so thereafter.

1) RULES AND REGULATIONS. The Board may adopt Rules and Regulations for governing the use and maintenance of the property and obtaining compliance by Owners and their contractors, invitees, and tenants with the Declaration and with Association Bylaws, and Rules and Regulations, provided that same are not prohibited by this Declaration or Texas law. The Rules and Regulations may address any subject relating to uses of Units, Common Areas, construction, repairs, parking, unsightly objects, relationships between Owners, invitees, tenants, and/or Association, enforcement, and other subjects reasonably affecting the Property.

2) LATE CHARGES. The Board may adopt late charges, from time to time, for late payment by the Owners of monies owed to the Association.

3) NONASSESSMENT ITEMS FIRST. All monies received from an Owner may be applied first to non-assessment obligations of the Owner, such as fines, late charges, returned checks charges, user fees, damages, etc., regardless of notations on checks and transmittal letters.

4) FINES. The Board or the Association may assess fines against an Owner for violations by the Owner or its invitees, contractors, or tenants of standard conduct contained in the Declaration and/or the Rules and Regulations. Each day of violation may be considered a separate violation if the violation continues after written notice to the Owner.

5) REMEDIES AGAINST TENANTS. The Board shall have authority to evict tenants of Owners, after reasonable notice, for substantial or repeated violations of Association Rules. The Board shall have authority to enforce all

Rules against the Owner's tenants, including collection of fines for violations of the Declaration, Bylaws, and Rules and Regulations by the tenants.

6) LEASING. The Board may adopt reasonable requirements for leasing a Unit. A Unit Owner may contract with the same management company which manages the Association to lease or manage a Unit owned by the Owner. Additionally, in such case the Unit Owner shall inform the tenant that in leasing or managing the Owner's Unit, the management company is not acting on behalf of the Association.

7) NAME AND ADDRESSES OF NEW OWNERS. An Owner may not sell or convey its Unit without all monies due and owing to the Association being paid in full; and if such Owner does sell, convey, or transfer its Unit without paying such monies, such selling Owner shall remain liable for all monies accruing to the Association thereafter on such Unit until such monies are paid in full. If an Owner sells or transfers Ownership of its Unit and fails to notify the Association of the sale, the selling Owner shall continue to be liable for the assessments accruing on the Unit after the sale or transfer until such time as the selling or transferring Owner notifies the Association in writing of the name and address of the new Owner. The new Owner shall also be liable from the date of such new Owner's acquisition of title. The selling or transferring Owner shall have a right of indemnity against the new Owner for recovery of any such sums paid by the selling or transferring Owner under this Section.

8) NAME AND ADDRESSES OF TENANTS. Owners shall notify the Association of current names and addresses of tenants of their respective Units.

9) ASSOCIATION ENTRY. The Association shall have the right to enter an Owner's Unit for purposes of (1) inspection, (2) prevention of damages to the Common Elements, (3) enforcement of the Declaration, and (4) protection of property rights and quiet enjoyment of other Owners. The Association may require Owners to furnish the Association with entry keys to their Units for such purposes.

ARTICLE V EXPENSES AND ASSESSMENTS

5.01 CONTRIBUTIONS TOWARD EXPENSES. All Owners are bound to contribute pro-rata toward the expense of administration and of maintenance and repair of the Common Elements and toward any other expenses lawfully authorized by the Association. No Owner shall be exempt from contributing toward such expenses for any reason, including, but not limited by way of limitation, waiver of the use of enjoyment of the Common Elements, either General or Limited, or by abandonment of his Unit.

Such expenses, referred to hereinafter as "assessments" and "maintenance fees", are:

- 1) Personal obligations of the Owner of the Unit;
- 2) Subject to interest at the rate of 10% per annum from due date until paid if not fully paid ten (10) days after due date; and
- 3) Subject to a late charge of not less than \$25.00, nor more than \$50.00, as may be determined by the Association if payment is not fully paid by ten (10) days after due date.

5.02 DEVELOPER EXPENSES. During the period of the sale of the Units, the Developer shall contribute its share of expenses for the Common Elements allocated to unsold Units. After any assessment has been made by the Association, assessments shall be made at least annually, payable monthly, and shall be based on a budget adopted at least annually by the Association.

5.03 ALLOCATION OF ASSESSMENTS. Common Expenses shall be assessed against all the Units in accordance with the Percentage Interest allocated to each Unit.

5.04 TYPE OF ASSESSMENTS. The expenses approved by the Association shall be charged to each Owner according to the Percentage Interest of each such Unit and shall be paid at the place designated by the Association. Such charges are referred to herein as "assessments." There may be two types of assessments:

- 1) The Annual assessments (which are paid monthly) shall be for the normal and routine expenses anticipated by the Association, including, but not by way of limitation, the following: Insurance obligated or permitted herein; common utility, repair, maintenance, and replacement expenses; wages, taxes; accounting, legal and management fees; reserve funds for repair and replacements.
- 2) Special assessments shall be for out of the ordinary expenditures approved by the Association and would include capital expenditures, normally, but other extraordinary costs may also be assessed if approved by the Board and Association.

5.05 SPECIAL ASSESSMENTS. The Board of Directors of the Association shall approve proposed special assessments from time to time, in order to meet the obligations of the Condominium Regime. Notice of such approved proposals shall be submitted to the Owners by mail. The Unit Owners, by two-thirds (2/3) vote, may reject any special assessment approved by the Board of Directors, and all such assessments shall be approved at a Board meeting at which the owners are given notice thereto.

5.06 ASSESSMENT DATES. Annual assessments and maintenance fees shall be made for each calendar year and shall be billed monthly to the owners of the units. On or before December 31st of each year, the Association shall determine the amount of the assessment of each Owner's Unit for

the next calendar year. As soon as is practicable, the Association shall notify each Owner of the amount of said assessment for the next calendar year. Such assessments or fees shall be due and payable as of the date determined, from time to time, by the Association.

5.07 PAYMENT OF ASSESSMENTS UPON SALE. No unit may be transferred with any fees payable to the Association not paid in full at or before closing.

5.08 LIEN FOR ASSESSMENTS. The Association shall have and does have a lien on each Unit, together with a lien or security interest on all tangible personal property located within the Unit, against the Unit owner for unpaid assessments, maintenance fees, interest thereon, late payment charges, administrative fees, reasonable attorneys' fees incurred by the Association incident to the collection of such charges or the enforcement of such lien(s), all sums advanced and paid by the Association for taxes and payments on account of mortgages, liens or encumbrances which may be required to be advanced by the Association, in order to preserve and protect its lien(s).

The lien of the Association may be enforced and foreclosed by power of sale pursuant to Article 3810, Revised Civil Statutes of Texas, as amended from time to time.

- 1) A lien under this Section is prior to all other liens and encumbrances on a Unit EXCEPT:
 - a) Mortgages and deeds of trust on the Unit securing first mortgage holders; and
 - b) Liens for real estate taxes and other governmental assessments or charges against the Unit.
- 2) Recording of this Declaration constitutes record notice and perfection of the lien. No further recordation of any claim of lien for assessment under this Section is required.
- 3) Nothing in this Section shall be construed to prohibit actions or suits to recover sums for which this Section creates a lien, or to prohibit the Association from taking a deed in lieu of foreclosure.
- 4) A judgment or decree in any action or suit, brought under this Section shall include costs and reasonable attorneys' fees for the prevailing party.
- 5) The Association shall have the right to assign its claim and lien rights for the recovery of any unpaid assessments to the Developer, to any Unit Owner or group of Owners, or to any third party.

- 6) The Association shall furnish to a Unit Owner upon written request a recordable statement setting forth the amount of unpaid assessments currently levied against his Unit. The statement shall be furnished within ten (10) business days after receipt of the request and is binding on the Association, the Board of Directors, and every Unit Owner.

5.09 ENFORCEMENT. In addition to the foregoing rights and remedies available to the Association (but in no way limiting such other remedies as may be available to the Association in law or in equity) may pursue any or all of the following as well:

- 1) Institute a personal action against the Owner for such charges;
- 2) Restrict the right of such Owner as to the use of the Common Elements, General or Limited, in such manner as the Association shall deem appropriate.
- 3) Suspend the voting rights of such Owner during the delinquency;
- 4) Discontinue services included in the Common Elements.

5.10 ASSESSMENTS PRIOR TO SUBSEQUENT OCCUPANCY. Except in the case of a Mortgagee's acquisition of a Unit through foreclosure of Mortgagee's lien or deed-in-lieu of foreclosure, any person who acquires any interest in a Unit, including, without limitation, acquisition by operation of law and purchaser at judicial sales, shall not be entitled to occupancy of the Unit or use of the Common Elements until all unpaid assessments due and owing by the former Unit Owners have been paid.

5.11 SURPLUS FUNDS. Any surplus funds of the Association remaining after payment of or provision for Common Expenses and any prepayment of reserves will be placed at the end of each year into the reserves account.

5.12 ACCOUNTS. The person appointed by the Bylaws of the Association shall keep or cause to be kept books and records with detailed accounts of the receipts and expenditures affecting the Condominium Regime and its administration and specifying the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Condominium Regime. Both the book and vouchers accrediting the entries made thereon shall be available for examination by all the Owners at convenient hours on working days that shall be set and announced for general knowledge. All books and records shall be kept in accordance with good accounting procedures and be audited at least once a year by an auditor outside of the Association.

5.13 AD VALOREM TAXES. The Owners of each and every Unit are billed separately for taxes on the unit owned and shall render and declare the same for the purpose of ad valorem taxes with the Tax Assessor or for such other future legally authorized governmental office or authority having jurisdiction over same. Nothing herein shall be construed, however, as giving to any Unit Owner the right of contribution or any right or adjustment against any other Unit Owner on account of any deviation by the taxing

authorities. Each Unit Owner is to pay ad valorem taxes and special assessments as are separately assessed against his Unit.

For this purpose of ad valorem taxation, the interest of the Owner of a "Condominium Unit" and his interest in the "Common Elements," shall be considered a Unit. The value of said Unit shall be equal to the percentage of the value of the entire Condominium, including land and improvements as has been assigned to said Unit in this Condominium Declaration. The total of all of said percentages equals 100% of the value of all of the land and improvements thereon.

ARTICLE VI MAINTENANCE AND ALTERATIONS

6.01 CONTRACT AUTHORITY. The Board of Directors of the Association may enter into contracts with any person in contracting for the maintenance and repair of the Condominium Project, Association Properties, and any other type properties and may contract for the management of the Condominium Regime, Association Properties, and any other type properties and may delegate to the contractor or manager all the powers and duties of the Association, except such as are specifically required by this Declaration, or by the Bylaws, to have the approval of the Board of Directors or the membership of the Association. The contractor or manager may be authorized to determine the budget, make assessments for common expenses, and collect assessments, as provided by this Declaration and the Bylaws. The Association, through its Board of Directors has entered into a Management Agreement, attached hereto as Exhibit "F" which encompasses the provisions of this Section.

6.02 AGREEMENTS OF OWNERS OF A UNIT. Each Owner of a Unit agrees as follows:

- 1) To maintain in good condition and repair his Unit and all interior surfaces within or surrounding his Unit (such as the surfaces of the walls, ceilings, floors) whether or not a part of the Unit or Common Elements and maintain and repair the fixtures therein and pay for any utilities which are separately metered to his Unit.
- 2) Damage due by mother nature or human abuse to duct, wire, conduit, bearing wall, bearing column, pipes, or any other fixture partially within and partially outside the designated boundaries of a unit, then the portion serving only that unit is a limited common element allocated solely to that unit, and therefore the owner's responsibility to maintain and repair.
- 3) Not to make or cause to be made any structural addition, alteration, decoration, repair, replacement or change the Common Elements or to any outside or exterior portion of the building whether within a Unit or part of the Limited Common Elements without the prior written consent of the Board of Directors of the Association.

6.03 AGREEMENTS OF ALL OWNERS. All Owners of Units, agree as follows:

- 1) To allow the Board of Directors, or the agents or employees of any Management Firm or the Association, to enter into any Unit for the purpose of maintenance, inspection, repair, replacement of the improvements within the Units, Limited Common Elements, or the Common Elements, to determine in case of emergency, circumstances threatening Units, Limited Common Elements, or the Common Elements, or to determine compliance with the provisions of this Declaration and the Bylaws.
- 2) To show no signs, advertisements, or notices of any type on the Common Elements, Limited Common Elements, or his Unit, and to erect no exterior antenna or aerials, except as consented to by the Board of Directors of the Association.

6.04 BREACH OF AGREEMENTS. In the event the Owner of a Unit fails to maintain the said Unit and Limited Common Elements, as required herein, or makes any alterations or additions without the required written consent, or otherwise violates or threatens to violate the provisions hereof, the Association shall have the right to proceed in a court of equity for an injunction to seek compliance with the provisions hereof. In lieu thereof and in addition there to, the Association shall have the right to levy an assessment against the Owner of a Unit, and the Unit, for such necessary sums to remove any unauthorized addition or alteration and to restore the property to good condition and repair.

Said assessment shall have the same force and effect as all other special assessments. The Association shall have the further right to have its employees or agents, or any contractors appointed by it, enter a Unit at all reasonable times to do such work as it deemed necessary by the Board of Directors of the Association, to enforce compliance with the provisions hereof.

6.05 ASSOCIATION AUTHORITY. The Association shall determine the exterior color scheme of the buildings and all exteriors, and interior color scheme of the Common Elements, and shall be responsible for the maintenance thereof, and no Owner shall paint an exterior wall, door, window, or any exterior surface, or replace anything thereon or affixed thereto, without the written consent of the Board of Directors of the Association.

ASSOCIATION RESPONSIBILITY. The Association shall be responsible for the maintenance, repair, and replacement of the Common Elements, including but not limited to all recreation facilities, and all property not required to be maintained, repaired, and/or replaced by the Unit Owners. Owners of the units shall be responsible for all interiors, HVAC equipment even though not 'inside' the unit and all personal property.

ARTICLE VII
INSURANCE AND CONDEMNATION

7.01 The association shall purchase and maintain policies of property, liability, flood, Directors/Officers, and other insurance and fidelity bond coverage in accordance with the recommendations of the Board. Property coverage shall cover from the studs out and each owner shall be responsible for coverage 'walls in' as well as personal property and fixtures inside the unit. Owners are also responsible for the Air conditioning units specific to their unit, which are located on the roofs.

7.02 NOTICE OF NO INSURANCE. If the insurance described in Section 7.01 is not maintained, the Association promptly shall cause notice of that fact to be hand—delivered or sent prepaid by United States mail to all Unit Owners. The Association, in any event, may carry any other insurance it deems appropriate to protect the Association or the Unit Owners.

7.03 INSURANCE ADJUSTMENT AND DISBURSEMENT. Any loss covered by the property policy under Section 7.01 shall be adjusted with the Association, but the insurance proceeds for that loss shall be payable to any insurance trustee designated by the Association for that purpose, or otherwise to the Association, and not to any mortgagee or beneficiary under a deed of trust. The insurance trustee or the Association shall hold any insurance proceeds in trust for Unit Owners and lien holders as their interests may appear. Subject to the provisions of this Section, the proceeds shall be disbursed first for the repair or restoration of the damaged Common Elements and Units, and Unit Owners and lien holders are not entitled to receive payment of any portion of the proceeds after the Common Elements and Units have been completely repaired or restored, or the Condominium Regime is terminated.

7.04 UNIT OWNER'S INSURANCE. An insurance policy issued to the Association does not prevent a Unit Owner from obtaining insurance for his own benefit and each unit owner should retain coverage on personal property. Additionally, unit owners are responsible for 'WIND DRIVEN RAIN' coverage for the interior of the units.

7.05 CERTIFICATES AND CANCELLATION NOTICE. An insurer that has issued an insurance policy under this Article VII shall Issue certificates or memoranda of insurance to the Association and, upon request, to any Unit Owner, Mortgagee, or beneficiary under a first lien deed of trust. The insurance may not be cancelled until thirty (30) days after notice of the proposed cancellation has been mailed to the Association, each Unit Owner and each Mortgagee or beneficiary under a first lien deed of trust to whom certificates of insurance have been issued.

7.06 EXCEPTIONS TO REBUILDING. Any portion of the Condominium Project damaged or destroyed shall be repaired or replaced promptly by the Association unless:

- 1) The Condominium Regime is terminated;
- 2) Repair or replacement would be illegal under any state or local health or safety statute or ordinance;

- 3) 80% of the Unit Owners, including every Owner of a Unit or assigned Limited Common Element which will not be rebuilt, vote not to rebuild; or
- 4) The disaster comprises all or more than two-thirds (2/3) of all the Buildings as determined by the Association.

In the event it is determined by the Association that reconstruction shall not take place as provided for herein, and unless otherwise unanimously agreed upon by the Owners, or their mortgagees, as their interest may appear, entitled to it in accordance with Unit's Percentage Interest set forth in this Declaration.

Should it be proper to proceed with the reconstruction, the provisions for such eventuality made in the Bylaws shall be observed, or if there be no such provision the decision of the Association shall govern.

7.07 COSTS IN EXCESS OF INSURANCE PROCEEDS. Where the Insurance indemnity is insufficient to cover the cost of reconstruction and reconstruction is required under the proceeding Section hereof, the building costs in excess of the insurance proceeds shall be paid by all the Owners directly affected by the damage as provided in the Bylaws; however, if there is no valid Bylaw provision, then, in proportion to the Percentage Interest assigned to the respective Unit so affected. If any one or more of those composing the minority shall refuse to make such payments, the majority may proceed with the reconstruction at the expense of all the Owners benefited thereby, upon proper resolution setting forth the circumstances of the case and the cost of the work.

The provisions of this Section may be changed by unanimous resolution of the Owners concerned, adopted subsequent to the date on which the fire or other disaster occurs.

7.08 CONDEMNATION. If less than the entire project is taken by the power of eminent domain, the Condominium Regime shall not terminate, but shall continue. If any partial taking results in the taking of an entire Unit, the Owner thereof shall cease to be a Member of the Association. The Association shall reallocate the voting rights and the undivided interest in the common Elements appertaining to such Unit or Units in accordance with the provisions of the Condominium Act.

ARTICLE VIII MORTGAGEE'S PROTECTION

8.01 NOTICES. A Mortgagee, upon request, will be entitled to written notification from the Association of any default in the performance by an Owner-Mortgagor, of any obligation under this Declaration and other documents governing this Condominium Regime, which is not cured within sixty (60) days.

8.02 FORECLOSURE EXEMPTION. Any Mortgagee which obtains title to a Unit pursuant to the remedies provided in the mortgage instruments, or foreclosure of the mortgage, or deed (or assignment) in lieu of foreclosure

will be exempt from any "right of first refusal" contained in this Declaration or other documents governing this Condominium Regime, if any.

8.03 ASSESSMENTS. Any Mortgagee which obtains title to a Unit pursuant to the remedies provided in the mortgage or foreclosure of the mortgage will not be liable for such Unit's unpaid assessments which accrue prior to the acquisition of title to such Unit by the Mortgagee, except for the prior six (6) months of assessments. However, such Mortgagee will be responsible for future assessments both regular and special from the time of ownership.

8.04 PROHIBITIONS. Unless at least 75% of the first mortgagees (based upon votes equal to the Percentage Interest of the Unit subject to the Mortgage), or Owners (other than Developer) have given their prior written approval in recordable form, the Association shall not be entitled to:

- 1) By act or omission, seek to abandon or terminate the Condominium Regime;
- 2) Change the Percentage Interest or obligations of any Unit for the purpose of:
 - a) Levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or
 - b) Determining the pro-rata share of ownership of each Unit in the Common Elements;
- 3) Partition or subdivide any Unit;
- 4) By act or omission, seek to abandon, partition, subdivide, encumber, sell, or transfer the Common Elements (the granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements by the Condominium Project shall not be deemed a transfer within the meaning of this clause);
- 5) Use hazard insurance proceeds for losses to the Condominium Project (whether to Units or to Common Elements) for other than the repair, replacement, or reconstruction of such property, except as provided by statute in the case of substantial loss to the Units or Common Elements of the Condominium Project (See Article VI).

8.05 RECORDS. Mortgagees shall have the right to examine the books and records of the Association.

8.06 RESERVE FUNDS. The Association assessments and charges shall include an adequate reserve fund for maintenance, repairs, and replacements.

8.07 LIENS. All taxes, assessments, and charges which may become liens prior to the first mortgage under local law shall relate only to individual Units and not to the Condominium Project.

8.08 INSURANCE PROCEEDS. No provision of the Declaration or other documents governing this Condominium Regime shall give any Owner, or any other party, priority over any rights of Mortgagees of the Units pursuant to their mortgages in the case of a distribution to Owners of insurance proceeds or condemnation awards for losses to or a taking of Units and Common Elements.

ARTICLE IX AMENDMENT OF DECLARATION

- 9.01 IN GENERAL. Except in cases of amendments that may be executed by Developer (this Declaration, including the plats and plans, may be amended only by vote or agreement of Unit Owners to which at least two-thirds (2/3) (34 votes) of the votes of the Association are allocated. No amendment shall change the rights and privileges of the Developer without Developer's approval.
- 9.02 RECORDING. Every amendment to this Declaration must be Recorded.
- 9.03 UNANIMOUS CONSENT. Except to the extent expressly permitted or required by other provisions of this Declaration or the Condominium Act, no amendment to this Declaration may increase the number of Units, or change the boundaries of any Unit, the Percentage Interest, or the uses to which any Unit is restricted, in the absence of unanimous consent of the Owners. Notwithstanding the foregoing, the developer may count what is currently the 'managers' unit and if permitted may also sell such unit.
- 9.04 PREPARATION AND CERTIFICATION. Amendments to this Declaration to be Recorded by the Association shall be prepared, executed, recorded, and certified by the president and/or secretary of the Association.
- 9.05 AMENDMENTS BY DEVELOPER. Notwithstanding anything in this Declaration to the contrary, Developer may amend this Declaration in order to:
- 1) Correct Exhibits or other errors which may have been made in this Declaration during the period of Developer control of the Association;
 - 2) Change the Percentage Interest assigned to and dimensions of Units owned by Developer so long as such changes do not decrease the Percentage Interest assigned to Units of other Owners; and
 - 3) Conform with the requirements of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, or similar financial institutions with respect to Condominium documentation.

Each by written instrument to such effect, executed and acknowledged by Developer only, and duly Recorded.

ARTICLE X
MISCELLANEOUS PROVISIONS

- 10.01 VENUE. The obligations and undertakings of each of the parties subject to this Declaration shall be performable in the County in which the Property is located.
- 10.02 LEGAL CONSTRUCTION. If any term provision, covenant, or condition of this Declaration, the Articles of Incorporation, the Bylaws, or the Management Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.
- 10.03 CONFLICTS. In the event any conflict between the Condominium Act, this Declaration, the Bylaws, the Management Agreement, or the Rules and Regulations, then the provisions of those documents shall prevail in the order in which those documents are listed in this Section.
- 10.04 TEXAS LAW. This Declaration shall be governed by and construed in accordance with the laws of the State of Texas.
- 10.05 PARTIES BOUND. This Declaration shall be binding upon and inure to the benefit of the successors and assigns of Developer, and all future Owners by their acceptance of their deeds.
- 10.06 ATTORNEY'S FEES. If any action at law or in equity, including an action for declaratory relief, is brought to enforce or interpret the provisions hereof, the prevailing party shall be entitled to recover reasonable attorney's fees from the other party, which fees may be set by the court in the trial of such action or may be enforced in a separate action brought for that purpose, and which fees shall be in addition to any other relief which may be awarded.
- 10.07 ENFORCEMENT. The terms and provisions of this Declaration, the Bylaws, and the Condominium Act may be enforced in law or equity by the Association, or any Owner. Failure to comply therewith shall entitle the Association or any Unit Owner to recover damages or injunctive relief, or both. Any failure to so enforce this Declaration, from time to time, shall not be deemed a waiver of such breach or failure to adhere to the provisions hereof.
- 10.08 NOTICES. Whenever notices are required to be sent hereunder, the same may be delivered to Unit Owners either personally or by mail, addressed to such Unit Owners at their address on file with the Association from time to time. Proof of such mailing or personal delivery by the Association or any Management Firm shall be given by the Affidavit of the person mailing or personally delivering said notices. Notices to the Association shall be delivered by mail to the Secretary of the Association,

or the President of the Association. The change of the mailing address of any party as specified herein shall not require an amendment to this Declaration.

Notices to the Developer shall be delivered by mail at: Captains Cove Holdings LLC, 1500 Town Plaza Court, Winter Springs, FL, 32708.

Notices to the Management Firm shall be delivered by mail at: TMVPS, LLC at the same address.

All notices shall be deemed and considered sent when mailed. Any party may change his or its mailing address by written Notice, duly received for. Notices required to be given to the personal representatives of a deceased Owner or devisee, when there is no personal representative, may be delivered either personally or by mail to such party at his or its address appearing in the records of the Court wherein the Estate of such deceased Owner is being administered. The change of the mailing address of any party, as specified herein, shall not require an Amendment to the Declaration.

- 10.09 GENDER AND NUMBER. Wherever the context shall so require, all words herein in any gender shall be deemed to include the masculine, feminine, or neuter gender. All singular words shall include the plural, all plural words shall include the singular.
- 10.10 HEADINGS. The headings used in this Declaration are used for administrative purposes only and do not constitute substantive matter to be considered in construing the terms hereof.
- 10.11 THE CONDOMINIUM ACT. The Property rights and obligations provided for in the Condominium Act are included herein, however, the provisions of the Condominium Act shall take precedent over any provision herein that may be in conflict therewith.

EXECUTED by Developer on the day and year first above written.

Captains Cove Holdings, LLC

ATTEST:



Secretary



Joseph Takacs, Jr, President

VAN A. BARNETT

REGISTERED PROFESSIONAL CIVIL ENGINEER
&
REGISTERED PUBLIC LAND SURVEYOR

ESTIMATES
LAND SURVEYING
PUBLIC IMPROVEMENTS
CONCRETE DESIGN
TIMBER STRUCTURES
LAND PLANNING
SUBDIVISIONS

EXHIBIT "A"

LAND DESCRIPTION

March 15, 1983

3818 AVENUE N1/2
Galveston, Texas
PHONE 762-3944

REVISED DESCRIPTION FOR WILLIS LUCAS

Survey of part of Lot 140 and East ½ of Lot 151, section #1, Trimble & Lindsey Subdivision, City of Galveston, Galveston County, Texas, described as follows:-
Beginning at point in South Line of Stewart Road which is 235 feet East of West Line of said Lot 151; thence S25°E, parallel with West Line of said Lot 151, 135 feet to corner; thence S65°W, parallel with said South Line, 70 feet to corner in West Line of East ½ of said Lot 151; thence S25°E, along said West Line, 163.39 feet to corner in Northerly Line of Seawall Boulevard; thence N55° 55'E, along said Northerly Line across Lots 151 and 140, 501.28 feet to corner in East Line of said Lot 140; thence N25°W, along said East Line, 107.9 feet to corner; thence S55° 55'W 160 feet to corner; thence N25°W, parallel with said East Line, 152.80 feet to corner in said South Line of Stewart Road; thence South-westerly, alongside South Line which is a curve to the right with a 1482.72 foot radius, 219.39 feet to Point of Tangency; thence S65°W, along said South Line, 48.03 feet to Place of Beginning.

Van A. Barnett, Reg. P.S.

EXHIBIT "B"

PLAT OF LAND, BUILDING LETTERS, LOCATION OF

BUILDING(S), COMMON ELEMENTS, AND

LIMITED COMMON ELEMENTS

(See the drawing(s) hereof, submitted with this Declaration to the County Clerk of Galveston County, Texas, which drawing(s) are incorporated herein by reference).

EXHIBIT C"

PLAT OF EACH FLOOR OF EACH BUILDING

SHOWING THE LETTER OF THE BUILDING,

THE NUMBER OF THE FLOOR; THE GENERAL DESCRIPTION

AND NUMBER OF EACH UNIT, ITS AREA, LOCATION AND

OTHER IDENTIFICATION DATA; THE GENERAL DESCRIPTION,

LOCATION, AND IDENTIFICATION OF LIMITED COMMON ELEMENTS

(See the drawing(s) hereof, submitted with this Declaration to the County Clerk of Galveston County, Texas, which drawing(s) are incorporate herein by reference).

EXHIBIT "D"

UNIT PERCENTAGE INTEREST

Each Unit Owner within the Condominium Project shall have a 1.9608% interest in and to the Common Elements and Common Surplus and shall be responsible for said 1.9608% of the Common Expense Assessments by the Association.

EXHIBIT "G"
ARTICLES OF INCORPORATION OF
CAPTAIN'S COVE RESORT ASSOCIATION

We, the undersigned natural persons of the age of eighteen (18) years or more, at least two of whom are citizens of the State of Texas, acting as incorporators of a corporation under the Texas Non—profit Corporation Act, do hereby adopt the following Articles of Incorporation for such Corporation:

ARTICLE I.

The name of the Corporation is Captain's Cove Resort Association.

ARTICLE II.

The Corporation is a non—profit corporation.

ARTICLE III.

The period of its duration is perpetual.

ARTICLE IV.

The purposes for which this Corporation is formed are:

- 1) The primary purpose is to operate and provide for the acquisition, construction, management, maintenance, and care of the corporate property, referred to in the Condominium Declaration for Captain's Cove Resort as both general and limited common elements;
- 2) The general purposes and powers are to have and exercise all rights and powers conferred on non—profit corporations under the laws of Texas, or which may hereafter be conferred, including the power to contract, rent, buy, or sell personal or real property;
- 3) Notwithstanding any of the above statements of purposes and powers, this Corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the primary purpose of this Corporation.

This Corporation is organized pursuant to the Texas Non—profit Corporation Act and does not contemplate pecuniary gain or profit to the members thereof and is organized for non—profit purposes.

ARTICLE V.

The street address of the initial registered office of the Corporation is 7600 Seawall Boulevard, Galveston, Texas 77551, and the name of its initial registered agent at such address is Joseph A Takacs Jr.

ARTICLE VI.

The number of directors constituting the initial board of directors of the Corporation is two (2), and the names and addresses of the persons who are to serve as the initial directors are:

Joseph A Takacs Jr
7600 Seawall Blvd
Galveston, TX 77551

Dana S Takacs
7600 Seawall Blvd
Galveston, TX 77551

ARTICLE VII.

The name and street address of each incorporator are:

Joseph A Takacs Jr
1010 East Riviera Blvd
Oviedo, FL 32765

Dana S Takacs
1010 East Riviera Blvd
Oviedo, FL 32765

RULES AND REGULATIONS

Captains Cove – confirmed May 2021

The Rules and Regulations hereinafter enumerated as to the **Captains Cove Condominium Property**, the Common Elements, the Limited Common Elements, and the Condominium Units shall be deemed in effect until amended by the Board of Directors of the Association and shall apply to and be binding upon all Unit Owners. The Unit Owners shall, at all times, obey said Rules and Regulations and shall use their best efforts to see that they are faithfully observed by their families, guests, invitees, servants, lessees, and persons over whom they exercise control and supervision.

Said initial Rules and Regulations are as follows:

1. The sidewalks, if any, walkways, entrances, and all of the Limited Common Elements and Common Elements must not be obstructed or encumbered or used for any purpose (excluding patios, decks, and balconies) other than ingress and egress to and from the premises; nor shall any carriages, bicycles, wagons, shopping carts, chairs, benches, tables, or any other object of a similar type and nature be left therein or thereon.
2. The personal property of all Unit Owners shall be stored within their Condominium Units or the exterior storage space of their Unit.
3. No garbage cans, supplies, milk bottles, or other articles shall be placed on the patios, decks, balconies, and entry ways, nor shall any linens, cloths, clothing, curtains, rugs, mops, or laundry of any kind, or other articles be shaken or hung from any of the windows, doors, patios, decks, balconies, or entry ways, or exposed on any part of the Limited Common Elements or Common Elements; and the Limited Common Elements and Common Elements shall be kept free and clear of all refuse, debris, and other unsightly material.
4. No Unit owner shall allow anything whatsoever to fall from the windows, patios, decks, balconies, entry ways, or doors of the premises, nor shall he sweep or throw from his Unit any dirt or other substances outside of his Unit or on Limited Common Elements or Common Elements of the Condominium.
5. Refuse and bagged garbage shall be deposited only in area provided therefor.
6. No Unit Owner shall store or leave boats, trailers, mobile homes, recreation vehicles, and the like on the Condominium Property except in areas designated for same.

7. Employees of the Association or Management Firm shall not be sent off the Condominium premises by any Unit Owner at any time for any purpose. No Unit Owner or resident shall direct, supervise, or in any manner attempt to assert any control over employees of the Management Firm or the Association.
8. No Unit Owner shall make or permit any disturbing noises by himself, his family, servants, employees, agents, visitors, and licensees, nor do or permit anything by such persons that will interfere with the rights, comforts, or convenience of the Unit Owners. No Unit Owner shall play upon or suffer to be played upon any musical instrument, or operate or suffer to be operated, a phonograph, television, radio, or sound amplifier in his Unit, in such a manner as to disturb or annoy other occupants of the Condominium. All party(s) shall lower the volume as to the foregoing from 10:00 P.M. to 8:00 A.M. each day.
9. No Unit Owner will allow more than eight (8) people to occupy their unit overnight at any time.
10. No radio or television installation, or other wiring, shall be made without the written consent of the Board of Directors.
11. No sign, advertisement, notice, or other lettering shall be exhibited, displayed, inscribed, painted, or affixed, in, on, or upon any part of the Condominium Units, Limited Common Elements, or Condominium Property by any Unit Owner or occupant without permission of the Association.
12. Complaints regarding the service of the Condominium shall be made in writing to the Management Firm, as long as the Management Agreement remains in effect, and thereafter, to the Board of Directors.
13. No inflammable, combustible, or explosive fluid, chemical, or substance shall be kept in any Unit or Limited Common Element except such as are required for normal household use.
14. Payment of assessments and maintenance fees shall be made at the office of the Management Firm, as designated in the Management Agreement. Payments made in the form of checks shall be made to the order of such party as the Management Firm shall designate.
15. No animals, birds, or reptiles of any kind shall be kept in a Unit, except for a maximum of two dogs of gentle disposition, or two cats, caged birds, aquarium fish, or other household pets ("Pets"), as approved and licensed in writing by the Association as compatible with the Condominium. All Pets shall at all times be on a leash or in a carrier when outside of a Unit and shall not be left unattended at any time while outside of a Unit and shall not be left unattended for more than two (2) hours on any balcony or exterior enclosure of a Unit. Owners shall comply at all times with the rules and regulations promulgated by the Association pertaining to ownership and

maintenance of Pets. Pets may not be kept, boarded, or maintained for any commercial purpose. Any pet causing or creating a nuisance or unreasonable disturbance, or noise shall be permanently removed from the Property upon three (3) days' written notice from the Board of Directors. Failure to remove a pet from the property after written notice by the Board will constitute a willful violation of the Rules and shall result in a \$500.00 fine in addition to all other penalties as provided by the Declaration, Bylaws and Rules. Unit Owner shall hold the Association harmless from any claim resulting from any action of their pets. Assistance animals will be permitted for those persons holding certificates of necessity or as otherwise permitted by law. Each owner shall be responsible for the immediate removal of any droppings on common area, walks, hallways, paved streets, or paved streets. All pet waste must be securely bagged and placed inside the dumpster. Unit owner where pet waste is found to be not properly disposed of will be fined as follows: 1st offense \$100, 2nd offense \$200, 3rd offense \$300 etc plus the cost of DNA test and test kit replacement.

16. All clothes dryers will have lint filters which will remain installed and prevent lint from accumulating in the vent duct. All stove hoods will have grease screens which will remain installed and prevent grease from accumulating in the vent duct. All such filters and screens will at all times be used and kept clean in good order and repair by the Unit Owner.
17. No signs, window displays or advertising visible from outside a Unit (except for a name plate or sign not exceeding nine square inches in area, on the main entrance door to each Unit and which is approved by the Board of Directors) shall be maintained or permitted in any part of a Unit.
18. No Owner shall erect antennae, awnings or other exterior attachments including flags (with exception to a United States flag no larger than 3'x5'), banners, laundry, clothing, rugs, canopies, or place any reflective material in the windows of a Unit or on the Balcony thereof, including the placement or installation of any equipment or materials on the roof of the Building.
19. Windssocks or other yard "decoration" is prohibited on all decks or patios.
20. All window coverings visible from any portion of the exterior of the Condominium, including, without limitation, drapes, shades, shutters, and/or backings, shall be of design and materials consistent with the quality, standards and design of the Condominium and shall be white or off-white color. Any quality issues, questions or variances shall be subject to the approval of the Board of Directors.
21. The use of personal outdoor grills within ten (10) feet of the exterior of a unit and within ten feet of any structure including decks, balconies and patios is prohibited. Personal outdoor grills are not to be stored on the patios or decks of the units. All gas, wood, or charcoal grilling on unit patios/balconies is prohibited. Outdoor charcoal grills are available.

22. Planters and flowers pots may be placed on balconies, decks, and patios. Planters and flowerpots will not be placed on the top of any 2nd or 3rd floor balcony, deck, or patio railing or privacy wall. The hanging of planters and flowerpots from any balcony or deck is prohibited. Plants and flowers must be maintained so they do not litter on Common area or Limited common Area, including balconies, decks, and patios. Any dead or diseased plants or flowers must be removed by the responsible Owner or resident.
23. Yard sales, tag sales, garage sales, and other similar activities are prohibited except as authorized by the Board of Directors.
24. No item can be hung, nailed to, or affixed in any way to the deck/patio or any other part of the building structure. No holes of any kind can be made to any part of the building structure.
25. Smoking is prohibited on balconies/patios for the comfort of the other Owners.
26. No one shall unnecessarily hold or otherwise interfere with the normal operation of the elevators. The elevators are reserved for the exclusive and uninterrupted use of the Unit Owners, Residents, and other persons lawfully on the Property. When moving in or out, pads must be used to protect the elevator floors. Should there be any damage done to the elevator due to the move the Owner will be responsible for the cost of repairs incurred
27. Any sod or other property damaged through neglect or abuse shall be replaced at the expense of the Unit Owner who is responsible.

END of RULES and REGULATIONS
Captains COVE
May 2021