

AFTER RECORDING RETURN TO:
Tim Hagen
Hagen & Parsons, P.C.
North Central Plaza Three
12801 N. Central Expwy., Suite 370
Dallas, Texas 75243

014-50-0228

**COVENANTS, CONDITIONS, EASEMENTS AND AGREEMENTS
REGARDING BOAT DOCK**

STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

THESE COVENANTS, CONDITIONS, EASEMENTS AND AGREEMENTS REGARDING BOAT DOCK (these "Covenants") are made and entered into by OLY GALVESTON GENERAL PARTNERSHIP, a Texas limited partnership ("Oly"), and MAGJIK, LTD., a Texas limited partnership ("Magjik").

RECITALS:

A. Oly is the owner of Lot 3 (the "West Lot") and Magjik is the owner of Lot 4 (the "East Lot"), each being in Block 1 of REPLAT PIRATES' COVE, SECTION 7, a subdivision in Galveston County, Texas, according to the map or plat thereof recorded in Volume 18, Page 955, in the Office of the County Clerk of Galveston County, Texas.

B. A boat dock, including the boathouses described in Paragraph 9 hereinbelow (the "Boat Dock"), is presently located or will be constructed on or adjacent to the West Lot and/or the East Lot (collectively, the "Lots").

C. Oly, as the owner of the West Lot, and Magjik, as the owner of the East Lot, desire to set forth the terms and agreements regarding the ownership, use, maintenance and repair of the Boat Dock.

NOW, THEREFORE, Oly and Magjik declare that the Lots are and shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions, restrictions and easements hereinafter set forth:

1. Ownership of Boat Dock. The owner or owners of the West Lot (the "West Lot Owner") and the owner or owners of the East Lot (the "East Lot Owner") shall each own an undivided fifty percent (50%) interest in and to the Boat Dock.

2. Grant of Easement. The West Lot Owner and the East Lot Owner (collectively, the "Owners" and individually, an "Owner") are each hereby granted an easement over and across the Boat Dock for such Owner's use and enjoyment, as well as the use and enjoyment of such Owner's family, tenants, guests and invitees. Each Owner is also granted an easement over and across the other Owner's Lot, if necessary, so that such Owner can gain reasonable access to the Boat Dock. The rights under these Covenants shall constitute easements and covenants running with the land.

3. Cost of Repairs and Maintenance. All costs of repairs or maintenance to the Boat Dock in order to maintain the structural soundness thereof shall be borne equally by the West Lot Owner and the East Lot Owner; provided, however, each Owner shall be liable to the other Owner for any damage to the Boat Dock caused by the negligence or willful misconduct of such Owner or such Owner's family, guests, tenants or invitees.

4. License to Repair. For purposes of repairing and/or maintaining the Boat Dock, each Owner is granted a license to enter upon the Lot owned by the other Owner, after such Owner has been given reasonable written notice of such intent to repair or maintain the Boat Dock.

5. Use of Boat Dock. Each Owner shall have the full right to use and enjoy the Boat Dock in connection with its respective ownership of its Lot; provided, however, each Owner's use of the Boat Dock shall not interfere with the other Owner's use and enjoyment of the Boat Dock, nor shall such use damage or adversely affect the Boat Dock.

6. Restricted Actions by Owners. No Owner shall do or allow to be done on the Boat Dock any action that would violate any applicable public law, deed restriction, zoning ordinance or permit obtained from the Corp of Engineers, the General Land Office or other governmental authority or which will result in the cancellation of or increase of any insurance. No waste shall be committed to the Boat Dock.

7. Destruction of Boat Dock. If the Boat Dock is totally or partially destroyed by fire, flood or other cause, the Owners shall within a reasonable period of time following such destruction, reconstruct the Boat Dock, at the expense of both Owners (shared equally). Any such construction shall be subject to both Owners approving the plans and specifications (the "Plans") for the reconstruction of the Boat Dock, which approval shall not be unreasonably withheld or delayed. In the event that the Plans are not identical to the plans and specifications for the original Boat Dock, then such Plans shall be submitted to the Architectural Control Committee for The Enclave-Pirates Cove Section 7 for approval. The Owners shall, in good faith and in an expeditious manner, establish a procedure for the reconstruction of the Boat Dock, including the execution of a contract for the construction of the Boat Dock, the method of paying the costs and expenses for the construction of the Boat Dock, and the supervision of such construction.

8. Insurance and Taxes. Each Owner shall be responsible for carrying casualty insurance, insuring its interest in the Boat Dock in an amount equal to at least fifty percent (50%) of the replacement value of the Boat Dock; provided, however, to the extent required by the Texas Windstorm Insurance Association, or its successor, the Owners shall apply for and purchase jointly in both of their names Texas Windstorm Insurance in an amount equal to at least the full replacement value of the Boat Dock; the cost of such insurance to be shared equally by the Owners. The parties will endeavor to include any taxes or assessments attributable to their interest in the Boat Dock in the tax statements for such Owner's Lot and improvements thereon. However, should any taxing authority issue a tax statement applicable solely to the Boat Dock, such statement shall be paid by the Owners in equal amounts.

9. Boathouses. At the end of the Boat Dock there is presently constructed or may be constructed two (2) boathouses. The boathouse to the right of the Boat Dock, as one is walking from the shore to end of the Boat Dock, shall be the sole and exclusive property of the Owner of the East Lot; and the boathouse to the left of the Boat Dock, as one is walking from the shore to the end of the Boat Dock, shall be the sole and exclusive property of the Owner of the West Lot. All utilities, insurance, taxes, cost of maintenance and repair, and any other cost or expenses attributable to a boathouse shall be the sole responsibility of the Owner owning such boathouse.

10. Duration of Agreement. These Covenants shall continue until such time as the Owners execute a termination of these Covenants in form suitable for recordation and record such instrument in the Deed Records of Galveston County, Texas.

11. Entire Agreement. These Covenants contain the entire agreement relating to the Boat Dock. Any oral modifications to these Covenants shall be of no force or effect. Any amendment or modification to these Covenants must be in writing and executed by the current West Lot Owner and the current the East Lot Owner.

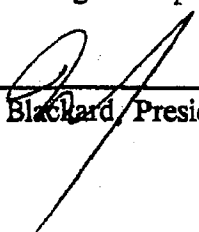
12. Dispute, Expenses and Attorneys' Fees. In the event of any dispute, claim, question, or disagreement arising out of or relating to this Agreement or the breach thereof, the Owners shall use their best efforts to settle such disputes, claims, questions, or disagreement. To this effect, they shall consult and negotiate with each other, in good faith and, recognizing their mutual interest, attempt to reach a just and equitable solution satisfactory to both parties. If they do not reach such solution within a period of thirty (30) days, then upon notice by either party to the other, disputes, claims, questions, or differences shall be finally settled by arbitration in accordance with the provisions of the Commercial Rules of the American Arbitration Association. The arbitrator shall render the award within thirty (30) days of the date of the appointment of the arbitrator. The arbitrator shall award to the prevailing party, if any, as determined by the arbitrator, all of its costs and fees. "Costs and fees" means all reasonable pre-award expenses of the arbitration, including the arbitrator's fees, administrative fees, travel expenses, out-of-pocket expenses such as copying and telephone, court costs, witness fees and attorneys' fees. In addition, any sum due by one Owner to or for the benefit of the other Owner shall accrue interest thereon from the date due or the date advanced until paid at the maximum lawful rate.

13. Binding Effect. These Covenants shall be binding upon and inure to the benefit of the Owners, their heirs, personal representatives, successors, assigns and any future owners or owners of the Lots.

EXECUTED as of the 26 day of April, 2000.

OLY GALVESTON GENERAL PARTNERSHIP,
a Texas general partnership

By: BLACKARD GALVESTON, INC.,
a Texas corporation - a general partner

By: 
Jeffery D. Blackard, President

By: OLY GALVESTON PARENT, L.P.,
a Texas limited partnership, its managing general partner

By: OLY/GP GALVESTON, L.P.,
a Texas limited partnership, its general partner

By: OLY GALVESTON, INC.,
a Texas corporation, its general partner

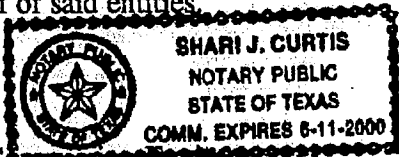
By: *Robert S. Riggs*
Name: ROBERT S. RIGGS
Title: VP

MAGJIK, LTD.,
a Texas limited partnership

By: *James N. Letsos III*
Name: JAMES N. LETSOS III
Title: PRESIDENT

STATE OF TEXAS §
COUNTY OF DALLAS Galveston §

This instrument was acknowledged before me on April 26, 2000, by JEFFORY D. BLACKARD, President of BLACKARD GALVESTON, INC., a Texas corporation and a general partner of OLY GALVESTON GENERAL PARTNERSHIP, a Texas general partnership, on behalf of said entities.



My Commission Expires: 6-11-2000

Shari J. Curtis
Notary Public, State of Texas

SHARI J. CURTIS
(Printed or Typed Name of Notary)

014-50-0232

STATE OF TEXAS

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COUNTY OF DALLAS

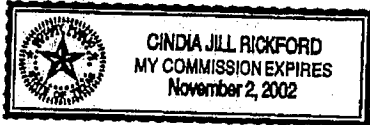
This instrument was acknowledged before me on April 25, 2000, by Robert S. Riggs, Vice President of OLY GALVESTON, INC., a Texas corporation and the general partner of OLY/GP GALVESTON, L.P., a Texas limited partnership and the general partner of OLY GALVESTON PARENT, L.P., a Texas limited partnership and the managing general partner of OLY GALVESTON GENERAL PARTNERSHIP, a Texas general partnership, on behalf of said entities.

Cindia Jill Rickford
Notary Public, State of Texas

My Commission Expires:

Nov. 2, 2002

Cindia Jill Rickford
(Printed or Typed Name of Notary)



STATE OF TEXAS

Galveston §

COUNTY OF DALLAS §

This instrument was acknowledged before me on April 26, 2000, by James N. Letsos III, President of MAGJIK, LTD., a Texas limited partnership, on behalf of said partnership.



Shari Curtis
Notary Public, State of Texas

My Commission Expires:

6-11-2000

SHARI J. CURTIS
(Printed or Typed Name of Notary)

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS OF REAL PROPERTY

Patricia Ritchie

2000 APR 26 04:27 PM 2000019948
MABASA \$17.00
Patricia Ritchie, COUNTY CLERK
GALVESTON, TEXAS