

AMENDED RESTRICTIONS, CONDITIONS AND
COVENANTS OF CANAL CITY SUBDIVISION
REVISED JULY 21, 2007

1. Lots 1 through 648 shall be used for residential purposes only and no part thereof shall be used for business purposes. Residences must contain at least 1000 square feet of enclosed area and the floors of new construction must be at least eighteen (18) feet above sea level, on pier foundation and in accordance to Galveston County Rules and Regulations.
2. Houses must be located at least twenty-five (25) feet from the front and back property lines and no structure shall be erected nearer than five (5) feet from the side line of any tract or lot on which the building is located or hereinafter provided and all lots or tracts must be at least the size of the tract or lot on which liens may be released. All other structures must be set back from canal property line at least two (2) feet.
3. Only one (1) residence per lot will be allowed and must meet rules and regulations of Galveston County, Texas.
4. All houses must be completed on the outside within one (1) year.
5. All new houses and outbuildings consisting of plywood or other unfinished or similar material exteriors must be stained or painted over.
6. There shall be no outside privies and all sewage systems must be connected to an approved septic tank or other disposal system in keeping with the laws of Galveston County, Texas. No waste or other household water will be permitted to drain into canals.
7. No structures covered with cloth like material will be permitted. Such as Pop Up Trailers and Tents. Property Owners may relocate a residential building to their lots as long as it is remodeled to all county codes. The building must be raised and secured within 90 days from the arrival date of such building.
8. No house trailers or mobile homes will be permitted. Only self contained trailers and RV's will be PERMITTED according to Galveston County Rules and Regulations.
9. No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers. All other equipment for storage or disposal of such material shall be kept in a clean and sanitary condition. All building materials must be neatly stacked and secured on the rear half of each lot toward the canal. No junk or wrecking yards shall be located on any lot. All vehicles must have up to date license and inspection. In the event property owners fail to keep their property clear of weeds and rubbish, Canal City Property Owners Association will notify the proper authorities of Galveston county. Any violation of these regulations are subject to fines.

10. Keys to boat ramps or fishing areas in the Canal City Subdivision will be made available to property owners in good standing. Maximum of two (2) keys per family will be allowed after Property Maintenance Fee's are paid. New property owners are to receive the first (1st) key free. Exchange keys are free. There will be a charge of \$12.50 for replacement keys or second (2nd) keys. Use of fishing areas and boat launching facilities shall be used at user's own risk.

11. Speed limit on the canals is slow and no wake. Boats must not block canals. Speed limit on the streets is twenty (20) miles per hour. Vehicles must not block streets.

12. No part of said designated areas or boat launching facilities shall be used or occupied by any person or persons unless such person or persons are property owners or guests of property owners in good standing with the Property Owners Association. Only six (6) guests per property owner will be allowed at one time at a fishing area.

13. No overnight camping will be allowed on fishing areas or boat ramp areas. There will be no open fires in public. There will be no open fires in these public areas.

14. No noxious or offensive trade or activity shall be carried on upon any lot, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood.

15. No livestock or poultry shall be kept or maintained on any property in Canal City except for traditional household pets. Household pets are subject to the laws of Galveston County. Each household may have a maximum of 4 domestic animals.

16. These protective covenants shall constitute covenants running with the land and shall be binding on and inure to the benefit of all Property owners from this date and after which time they shall be automatically extended for successive periods of ten (10) years, unless an instrument signed by a majority of the lot owners of the property has been recorded, agreeing to a change therein in whole or in part. These protective covenants may be amended at any time by an instrument signed by a majority of the lot owners of the property. These protective covenants may be enforced by Canal City Property Owners Association or by the owner of any lot in Canal City, either by proceedings for injunction or to recover damages for breach thereof, or both. Only one Canal City Property Owner's Association will exist.

17. Canal City Property Owner's Association of Galveston County, Texas shall have the right to levy an annual assessment not to exceed Sixty (\$60.00) Dollars per lot against any of the property covered by these restrictions for maintenance of streets and roads, canals, channels, waterways and public areas, which assessment shall be secured by lien in favor of the Canal City Property Owners Association on each such lot after it has been sold. The assessment will be due the beginning of the fiscal year which is on August 1st of each year. A two month grace period will be given. Beginning October 1 and to continue for 3 consecutive months, the owner of each unpaid maintenance fee will be charged a late fee of \$10.00 per month up to a maximum late fee of \$30.00 per lot per

year. Delinquent maintenance fees are liable to Foreclosure Proceedings and will include legal fees. Financial records are to be audited by an accountant every time the Treasurer is changed.

18. If any provision or a portion of the protective covenants shall be declared invalid by a judgment, court order, or otherwise, it shall not affect or invalidate any other provision or portion hereof. Failure to enforce any one or more of the provisions hereof shall not constitute a waiver thereof or invalidate such provision or provisions.

19. All private parties, Developers and Realtors who sell property in Canal City must notify the Canal City POA of the new owner's name and address. All maintenance Fees must be paid to Canal City POA and not made a part of the purchase agreement.

20. Owners of property (with or without improvement) purchased after July 21, 2007 must submit a request for bulkheading to the Corps of Engineers within six (6) months of closing on their property and are required within eighteen (18) months of purchase to install bulkhead 120 feet back from the property lines to a height of 3.5 feet above normal water level (NWL) with plus minus 0.5 foot tolerance. Owners who have purchased their property prior to July 21, 2007 are encouraged to install bulkhead consistent with specifications listed above. New property owners who fail to bulkhead their property within the eighteen month time period will be assessed a \$500 penalty each year until bulkhead is complete.

21. Waterjetting of bulkheads is permitted but property owners must clean out the silt from the canals upon completing bulkheading or be subject to a fine.

22. Generators can be run from 8:00 AM in the morning until 8:00 PM in the evening. Exceptions would be a major power failure.

23. Port-a-Potties are required when building new construction.

(The above Amended Restrictions, Conditions and Covenants of Canal City Subdivision Revised July 21, 2007 were filed and recorded with Mary Ann Daigle, County Clerk, Galveston, Texas on August 7, 2007.)