

STATE OF TEXAS X
 X
 COUNTY OF ARANSAS X

WHEREAS, KEY ALLEGRO DEVELOPMENT AND SALES COMPANY,
 a Texas corporation, has heretofore filed for record Restrictions
 and Conditions for Key Allegro Island Estates, a development
 in Aransas County, Texas, as follows:

- UNIT I: Volume Q-4, at Page 325, Deed Records
 of Aransas County, Texas, executed
 on July 26, 1962.
- UNIT II: Volume 24, at Page 68, Deed Records
 of Aransas County, Texas, executed
 on August 5, 1964.
- UNIT III: Volume 132, at Page 156, Deed Records
 of Aransas County, Texas, executed
 on April 10, 1967.
- UNIT IV: Volume 163, at Page 172, Deed Records
 of Aransas County, Texas, executed
 on May 25, 1971.
- UNIT V: Volume 197, at Page 368, Deed Records
 of Aransas County, Texas, executed
 on January 4, 1974.

WHEREAS, such restrictions provide in part, as
 follows:

- (a) That an Architectural Control Committee review
 and approve all plans for:
- (i) erection, construction and maintenance of
 docks, piers, and pilings.
 - (ii) Construction of improvements;
 - (iii) conformity of the plans and specifications
 of the improvements with the requirements
 of the restrictions, workmanship, external
 design harmony;

- (iv) construction of a fence or wall;
 - (v) construction of cabanas or beach facilities on Lots 1A through 15A in Block 26, Unit V;
and
 - (vi) garbage receptacles in Unit V.
- (b) That an Architectural Control Committee be authorized to make additional rules and regulations with respect to lots and the activities conducted thereon not inconsistent with the Restrictions and Conditions with a provision for the lot owners to nullify and veto any action taken by the Architectural Control Committee.
- (c) That Key Allegro Development & Sales Company could consent to certain signs being placed on lots within Key Allegro Island Estates.
- (d) That Key Allegro Development & Sales Company could charge lot owners for clearing a lot of trash, rubbish, or unsightly articles.
- (e) That Key Allegro Development & Sales Company could require permits prior to construction of boat slips in Unit III.
- (f) That Key Allegro Development & Sales Company could approve subdivision of lots or changes in boundary lines for lots within Unit V.
- (g) That Key Allegro Development & Sales Company could require permits and compliance with a Key Allegro Building Code for Unit V.

- (h) That Key Allegro Canal Owners Association
- (i) could cure the default of a lot owner regarding the lot owner's duty to keep all channels and canals free of debris, trash, rubbish, garbage or other unsightly or unsanitary articles or hazards to navigation;
 - (ii) could charge a membership and maintenance fee of all lot owners located on the canals;
 - (iii) could assert a lien against such lot owners as security for membership and maintenance fees.

WHEREAS, Key Allegro Canal Owners Association has been chartered by the Secretary of State of the State of Texas as a non-profit corporation under Charter No. 185275, July 11, 1962, whose members are those persons owning a lot or lots or any part thereof, adjoining a canal or waterway in Key Allegro Island Estates.

WHEREAS, a property owners' association has been chartered by the Secretary of State of the State of Texas as a non-profit corporation known as the "Key Allegro Property Owners Association" under Charter No. 256453, February 5, 1969, whose members are those persons owning a lot or lots within Key Allegro Island Estates.

WHEREAS, Key Allegro Development & Sales Company does not control either the Key Allegro Canal Owners Association or the Key Allegro Property Owners Association.

WHEREAS, Key Allegro Development & Sales Company desires to transfer and legally relinquish its discretionary rights to the Restrictions and Conditions outlined above as items (a), (b), (c), (d), (f) and (g) to such Key Allegro Property Owners Association.

WHEREAS, Key Allegro Development & Sales Company desires to transfer and legally relinquish its discretionary rights to the Restriction and Condition outlined in (e) above to such Key Allegro Canal Owners Association.

WHEREAS, Key Allegro Canal Owners Association already exercises the responsibility outlined in (h) above.

NOW, THEREFORE, Key Allegro Development & Sales Company does hereby transfer and assign to the property owners' association of Key Allegro Island Estates, known as the "Key Allegro Property Owners Association":

1. The right to exercise the responsibilities of the Architectural Control Committee as provided in the Restrictions and Conditions for Key Allegro Island Estates, including the rights to review and approve all plans for:
 - (i) erection, construction and maintenance of docks, piers, and pilings;
 - (ii) construction of improvements;
 - (iii) conformity of the plans and specifications of improvements with the requirements of the restrictions, workmanship, external design harmony;

- (iv) construction of a fence or wall;
 - (v) construction of cabanas or beach facilities on Lots 1A through 15A in Block 26, Unit V; and
 - (vi) garbage receptacles in Unit V.
2. The right to clear lots of trash, rubbish, or unsightly articles and charge lot owners for the same;
 3. The right to approve subdivision of lots or changes in boundary lines within Unit V; and
 4. The right to require permits and compliance with a Key Allegro Building Code for Unit V.

Furthermore, Key Allegro Development & Sales Company does hereby transfer and assign to the Key Allegro Canal Owners Association the right to require permits prior to construction of boat slips in Unit III pursuant to the Restrictions and Conditions for Key Allegro Island Estates.

Moreover, Key Allegro Development & Sales Company does hereby acknowledge that Key Allegro Canal Owners Association already has, by virtue of the existing Restrictions and Conditions for Key Allegro Island Estates, the right to:

- (i) cure the default of a lot owner regarding the lot owner's duty to keep all channels and canals free of debris, trash, rubbish, garbage, or other unsightly or unsanitary articles or hazards to navigation;
- (ii) charge a membership and maintenance fee of all lot owners located on the canals;

(iii) assert a lien against such lot owners as security for membership and maintenance fees.

Key Allegro Development & Sales Company hereby authorizes the Key Allegro Property Owners Association and the Key Allegro Canal Owners Association to enforce these Restrictions and Conditions as so modified.

Except as modified herein, the Restrictions and Conditions previously filed for Key Allegro Island Estates are hereby ratified and confirmed and hereby declared to be in full force and effect.

WITNESS OUR HANDS at Rockport, Texas, on this 6th day of Sept., 1975.

KEY ALLEGRO DEVELOPMENT & SALES COMPANY

BY: Carl C. Krueger, Jr.

ATTEST:
Jennie H. Adelman
THE STATE OF TEXAS X
COUNTY OF ARANSAS X

BEFORE ME, the undersigned, on this day personally appeared Carl C. Krueger, Jr., known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said KEY ALLEGRO DEVELOPMENT & SALES COMPANY, a