



The State of Texas

Secretary of State

CERTIFICATE OF INCORPORATION

OF

PIRATES' COVE TOWNHOME COUNCIL II
CHARTER NUMBER 01119665

THE UNDERSIGNED, AS SECRETARY OF STATE OF THE STATE OF TEXAS, HEREBY CERTIFIES THAT ARTICLES OF INCORPORATION FOR THE ABOVE CORPORATION, DULY SIGNED AND VERIFIED HAVE BEEN RECEIVED IN THIS OFFICE AND ARE FOUND TO CONFORM TO LAW.

ACCORDINGLY THE UNDERSIGNED, AS SUCH SECRETARY OF STATE, AND BY VIRTUE OF THE AUTHORITY VESTED IN THE SECRETARY BY LAW, HEREBY ISSUES THIS CERTIFICATE OF INCORPORATION AND ATTACHES HERETO A COPY OF THE ARTICLES OF INCORPORATION.

ISSUANCE OF THIS CERTIFICATE OF INCORPORATION DOES NOT AUTHORIZE THE USE OF A CORPORATE NAME IN THIS STATE IN VIOLATION OF THE RIGHTS OF ANOTHER UNDER THE FEDERAL TRADEMARK ACT OF 1946, THE TEXAS TRADEMARK LAW, THE ASSUMED BUSINESS OR PROFESSIONAL NAME ACT OR THE COMMON LAW.

DATED JUNE 29, 1989



EXHIBIT B

George S. Bayard Jr.

Secretary of State

FILED
In the Office of the
Secretary of State of Texas

JUN 28 1988

Clerk I-D
Corporations Section

ARTICLES OF INCORPORATION
OF
PIRATES' COVE TOWNHOME COUNCIL II

We, the undersigned natural persons of the age of eighteen (18) years or more, at least two (2) 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 ONE

NAME

The name of the corporation is PIRATES' COVE TOWNHOME COUNCIL II.

ARTICLE TWO

NONPROFIT CORPORATION

The corporation is a nonprofit corporation.

ARTICLE THREE

DURATION

The period of its duration is perpetual.

EXHIBIT B

ARTICLE FOUR

PURPOSES

The purposes for which the corporation is organized are:

(a) The primary purpose is to operate, maintain and manage a timeshare regime in Galveston, Texas, pursuant to the Texas Timeshare Act, Texas Property Code, §201 et.seq. (Vernon Supp. 1987) and the Declaration of Co-Ownership for Pirates' Cove Townhomes II filed in the County Clerk's office of Galveston County, Texas.

(b) The general provisions and powers are to have and exercise all rights and powers conferred on nonprofit corporations under the laws of Texas, or which may hereinafter be conferred, including the power to contract, rent, buy or sell personal or real property.

(c) To do all other acts necessary or expedient to the administration of the affairs and attainment of the purposes of this corporation.

(d) 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 purposes 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 nonprofit purposes.

EXHIBIT B

ARTICLE FIVE

INITIAL REGISTERED AGENT AND OFFICE

The corporation's initial registered agent for service of process shall be Thomas P. Battle. The street address of the initial registered agent's office shall be: 2002 Timberloch Place, The Woodlands, Texas 77380.

ARTICLE SEVEN

BOARD OF DIRECTORS

The number of directors constituting the initial board of directors of the corporation is five, and the names and addresses of the persons who are to serve as the initial board of directors are:

Lanell Matlock
2201 Timberloch Place
The Woodlands, Texas 77380

J. Leonard Rogers
2201 Timberloch Place
The Woodlands, Texas 77380

Timothy Weems
2201 Timberloch Place
The Woodlands, Texas 77380

Dave Srader
Route 1, Box 149B
Galveston, Texas 77551

A. Karen West
2002 Timberloch Place
The Woodlands, Texas 77380

EXHIBIT B

ARTICLE EIGHT

INCORPORATORS

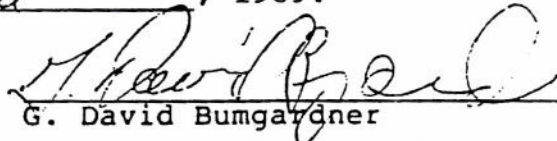
The name and street address of each incorporator is:

G. David Bumgardner
2002 Timberloch Place
The Woodlands, Texas 77380

Eileen C. Stilson
2002 Timberloch Place
The Woodlands, Texas 77380

A. Karen West
2002 Timberloch Place
The Woodlands, Texas 77380

IN WITNESS WHEREOF, we have hereunto set out hands,
this 26th day of June, 1989.



G. David Bumgardner



Eileen C. Stilson



A. Karen West

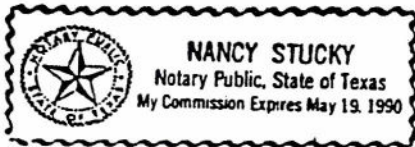
EXHIBIT B

THE STATE OF TEXAS

COUNTY OF MONTGOMERY

I, Nancy Stucky, a notary public, do hereby certify that on the 26th day of June, 1988, personally appeared G. David Bumgardner, Eileen C. Stilson and A. Karen West, who, each being by me first duly sworn, severally declared that they are the persons who signed the foregoing document as incorporators, and that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year written.



Nancy Stucky
Notary Public - State of Texas
Printed Name: Nancy Stucky
My Commission Expires: 5-19-90

AKW/sp/2BAIPCTII

EXHIBIT B

**BYLAWS
OF
PIRATES' COVE TOWNHOME COUNCIL II**

**ARTICLE I
GENERAL PROVISIONS**

1.1. Introduction. Pirates' Cove Townhome Council II (hereinafter referred to as the "Council II") is a Texas nonprofit corporation, organized and existing under the laws of the State of Texas for the purpose of administering the Timeshare Regime created by that certain Declaration of Co-Ownership for Pirates' Cove Townhomes II, filed of record in County Clerk's Office of Galveston County, Texas, and all amendments and supplements thereto (hereinafter referred to as the "Declaration").

1.2. Definitions.

(a) Unless expressly indicated otherwise, capitalized terms used herein shall have the same meanings assigned to them in the Declaration.

(b) Member as used in these Bylaws means and shall refer to Owner as defined in the Declaration.

1.3. Conflicts. In the event of any conflict between these Bylaws, as amended from time to time, and the Declaration, the Declaration shall control.

**ARTICLE II
MEMBERSHIP**

2.1. Eligibility. Every person or entity who is the record Owner of an interest in a Lot and a Co-Ownership Estate in a Lot which is subject to the Timeshare Regime pursuant to the Declaration is a Member of the Council II. If a Co-Ownership Estate is owned by more than one (1) person, then all of the persons so owning said Co-Ownership Estate shall be Members of the Council II and shall be eligible to hold office, attend meetings, and exercise all of the other rights of an Owner; provided however, votes shall be cast only by the voting Member, as provided in Section 3.8 below.

2.2. Termination. The membership of any Owner shall terminate when he ceases to be an Owner. Transfer of a Co-Ownership Estate whether such transfer occurs voluntarily or by operation of law, shall immediately and automatically terminate the transferor's membership in the Council II, except to the extent that such transferor retains an interest in any other Co-Ownership Estate. The transfer of a Co-Ownership Estate shall not terminate

the liability of the transferor for any unpaid Operation Fees and Personal Charges due the Council II. The transferee shall, immediately and automatically upon the valid transfer of the Co-Ownership Estate, become a Member of the Council II.

2.3. Transfer of Membership. Membership in the Council II is neither transferable nor assignable, other than by transfer of a Co-Ownership Estate as set forth above.

ARTICLE III COUNCIL II MEETINGS

3.1. Annual Meetings. An annual meeting of the Members shall be held within the first ninety (90) days of the beginning of each calendar year, commencing with the year 1991, for the purpose of electing directors in accordance with the provisions of these Bylaws and for the transaction of other business as may come before the meeting.

3.2. Special Meetings. Special Council II meetings for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President, and shall be called by the President or the Secretary at the request, in writing, of a majority of the Board of Directors, or at the request, in writing, of Members representing twenty-five percent (25%) of the total votes eligible to be voted by all of the Members of the Council II. Each such request shall state the purpose or purposes of the proposed meeting. The business transacted at all special Council II meetings shall be confined to the subject(s) stated in the notice thereof.

3.3. Place of Meetings. All Council II meetings shall be held in a suitable place, which is reasonably convenient to the Members, which is designated by the Board and stated in the notice of the meeting. Each Council II meeting shall be open to all of the Members, the Manager and such other persons as are not expressly excluded from such meeting by the affirmative vote of Members representing a majority of the total votes eligible to be voted by the Members present at such meeting, either in person or by proxy.

3.4. Notice of Meeting. Written notice stating the place, day and hour of a meeting of Members shall be delivered either personally or by mail to each Member at the address given to the Board by the Member for such purpose, or to the Lot address if no address for such purpose was given to the Board, not less than ten (10) nor more than sixty (60) days before the date of such meeting, by or at the direction of the Secretary of the Council II, or the persons calling the meeting. In case of a special meeting, or when required by law or these Bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice. If mailed the

notice shall be deemed to be delivered when deposited in the United States mail.

3.5. Action Without a Meeting. Any action required to be taken at a meeting of the Members, or any action which may be taken at a meeting of the Members, may be taken without a meeting, if a consent in writing, setting forth the action so taken, shall be signed by all of the Members representing all the votes entitled to be cast on the subject matter thereof.

3.6. Quorum. A quorum of Members for any meeting shall be constituted by Members represented in person or by proxy and holding at least ten percent (10%) of the votes entitled to be cast at such meeting.

3.7. Voting.

(a) Subject to Section 3.7(c) below, each Owner shall be entitled to one (1) vote for each Co-Ownership Estate with respect to which a deed in such Owner's name is recorded in the County Clerk's Office, Galveston County, Texas. Declarant shall be entitled to one (1) vote for each Co-Ownership Estate of which it is the Owner.

(b) Except as otherwise provided by law, the Declaration, or by these Bylaws, the votes of Members, present either in person or by proxy at any duly called Council II meeting at which a quorum has been established, casting a majority of the total votes eligible to be voted by such Members shall decide any question under consideration, and shall constitute the act of and be binding upon the Council II.

(c) The Board of Directors shall have the right to suspend the voting right of any Member who is in violation of the Bylaws, Rules and Regulations or with any obligation of the Owners pursuant to the Declaration, including but not limited to the failure to pay Operation Fees.

3.8. Designation of Voting Members. If a Co-Ownership Estate is owned by more than one person, only one (1) Owner shall be entitled to cast votes for that Co-Ownership Estate. The Owners shall designate a voting Member to cast such votes on their behalf.

3.9. Proxies. Votes may be cast by the Members either in person or by proxy. All proxies shall be in writing and signed and dated by the person entitled to vote. In no event shall any proxy be valid for a period longer than eleven (11) months from the date of its execution, unless otherwise provided therein. A proxy shall be revocable only in writing at any time in the sole discretion of the Member who executed it. If a Co-Ownership Estate is owned by more than one (1) person a proxy must be signed by each Owner.

3.10. Waiver and Consent. Whenever the vote of Members at a Council II meeting is required or permitted by any provision of these Bylaws to be taken in connection with any action of the Council II, the meeting and vote of Members may be dispensed with, and matter(s) in question may be voted upon by mail-in ballot if Members representing a majority of the total votes eligible to be voted by all of the Members consent in writing to dispense with the meeting and to vote upon the matter(s) in question by mail-in ballot. Mail-in ballots may accompany the required consent of Members, and may be completed and returned simultaneously therewith.

3.11. Rules of Meeting. The Board may prescribe reasonable order of business and rules for the conduct of all meetings of the Members and in the absence of such rules, Robert's Rules of Order shall be used.

ARTICLE IV BOARD OF DIRECTORS

4.1. Number and Qualifications. The affairs of the Council II shall be governed by a Board of Directors composed of five (5) persons, each of whom, with the exception of the directors appointed by the incorporators and any director appointed by the Declarant, shall be a Member of the Council II in good standing including but not limited to being current on all Operation Fees and in compliance with all Rules and Regulations provided however, if an Owner is a trustee of a trust, a director may be a beneficiary of such trust or if an Owner is a corporation, a director may be an officer, partner or employee of such Owner. If a director shall cease to meet such qualifications during his term, he shall thereupon cease to be a director and his place on the Board shall be deemed vacant. The number of directors may be increased or decreased from time to time by an amendment to these Bylaws; provided, however, that the Board shall be composed of at least three (3) but no more than seven (7) persons; and provided, further, that the Board shall at all times be composed of an odd number of directors. No decrease in the number of directors shall have the effect of shortening the term of an incumbent director.

4.2. Term. Except for the first Board of Directors named in the Articles of Incorporation, the initial Board of Directors elected by the Members at the third annual meeting, and any director appointed by the Declarant, each director shall serve for a term of three (3) years or until the election of his successor, whichever occurs later, or until his death, incapacity, resignation, or removal. One (1) of the first directors elected by the Members shall serve for a one (1) year term, one (1) of the first directors elected by the Members shall serve for a two (2) year

term, and the remaining two (2) directors first elected by the Members shall serve for a three (3) year term. The director appointed by the Declarant shall serve until such time as Declarant appoints a replacement director or until his successor has been qualified and duly elected by the Members of the Council II when Declarant's right to appoint a director terminates as provided herein.

4.3. Election.

(a) The initial Board of Directors shall be appointed by the incorporators and shall serve for a three (3) year term. Any such director appointed by the incorporators shall serve until such time as his successor has been appointed by the Declarant or qualified and duly elected by the Members of the Council II, as the case may be.

(b) At the third annual meeting of Members of the Council II, the Members shall elect directors to succeed the initial Board of Directors. Notwithstanding the foregoing, Declarant shall be entitled to appoint one (1) director for so long as Declarant holds for sale, in the ordinary course of its business, and not for its own use, one (1) or more Co-Ownership Estate in the Pirates' Cove Townhomes.

(c) Those candidates for election as director receiving the greatest percentage of the votes cast either in person or by proxy at the meeting shall be elected.

4.4. Vacancies. If the office of any director becomes vacant by reason of his death, incapacity, resignation, removal from office, or otherwise, a majority of the remaining directors, though less than a quorum, shall choose a successor or successors to fill such vacancy; provided, however, a vacant position on the Board which was last filled by a person appointed by Declarant or the incorporators shall be filled by a person appointed by Declarant. The election held for the purpose of filling such vacancy may be held at any annual or special meeting of the Board of Directors.

4.5. Removal. Any one or more of the directors, other than the director appointed by the Declarant, may be removed, with cause, by the affirmative vote of Members casting a majority of the total votes eligible to be voted by all of the Members of the Council II at any annual or special meeting of the Council II. A successor shall be elected at such meeting for the remainder of the term to fill the vacancy thus created. Should the membership fail to elect such a successor, the Board of Directors shall fill the vacancy in the manner provided herein. Any director whose removal has been proposed by the Members shall be given prompt written notice of his proposed removal and shall be provided with a reasonable opportunity to attend and be heard at the meeting at which removal is voted upon.

4.6. Annual Meetings. An annual meeting of the Board of Directors shall be held immediately after, and at the same place as, the annual meeting of Members.

4.7. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two (2) directors. The person or persons authorized to call special meetings of the Board of Directors may fix any time and place for holding any such special meetings called by them.

4.8. Notice of Special Meeting. Written notice stating the place, day, and hour of a special meeting of the Board of Directors shall be delivered to each director at least five (5) days before the date of the meeting. If mailed, the notice shall be deemed to be delivered when deposited in the United States mail with postage prepaid. If notice is given by telegram, the notice shall be deemed to be delivered when the telegram is delivered to the 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 unless his attendance is for the purpose of protesting the legality of the meeting.

4.9. Meetings by Telephone Conference. Both annual and special Board meetings may be conducted by telephone conference; provided however, no such telephone conference shall be held unless the director appointed by the Declarant is included in such telephone conference. To the extent permitted by law, any director who is not physically in attendance at any meeting of the Board of Directors, but who is in telephone contact with the other directors during such meeting and is thereby able to participate in the discussions, reports, debates, votes, and other matters conducted thereat, shall be deemed to be in attendance at said meeting for all purposes, including but not limited to the purpose of creating a quorum.

4.10. Action by Consent. Any action required by law to be taken at a meeting of directors, or any action which may be taken at a meeting of directors, may be taken without a meeting if a consent in writing setting forth the action so taken, shall be signed by all of the directors.

4.11. Quorum At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business. If at any meeting of the Board of Directors a quorum is not established, a majority of those directors present may adjourn the meeting, one or more times, to a subsequent time, date, and place.

4.12. Attendance by Manager. Each Manager, as long as its Management Agreement with the Council II remains in effect, shall be entitled to notice of all Board meetings, shall be entitled to

attend the Board meetings, and may designate such person(s) as it desires to attend such Board meetings on its behalf; provided however, Manager shall be excluded from discussions regarding the Management Agreement.

4.13. Compensation. Directors shall receive no compensation for their services as directors, unless provided for in resolution duly adopted by a majority of the Members. Nothing contained herein shall preclude any director from serving the Council II in any other capacity and receiving compensation therefor.

4.14. Voting. The vote of a majority of those directors present at a meeting at which a quorum is in attendance shall constitute the decision of the Board of Directors.

4.15. Powers and Duties. The Board of Directors shall have all of the powers and duties necessary for the maintenance, repair, replacement, restoration, improvement, and operation of the Time-share Regime, and for the operation and administration of the Council II. The powers and duties of the Board of Directors shall be subject to approval by the Members only when such approval is specifically required by law or by the Bylaws. Such powers and duties shall include, but shall not be limited to, the following:

(a) To elect and remove the officers of the Council II as herein provided;

(b) To exercise all of the powers specifically set forth in the Declaration and in these Bylaws, and to exercise all powers incidental thereto;

(c) To repair, maintain, repaint, improve, alter, furnish, or refurnish the interior portions of all Units together with the Common Furnishings; to establish reserves for anticipated costs, including but not limited to the costs of acquisition and replacement of the Common Furnishings; to acquire and pay for equipment, materials, supplies, furniture, Common Furnishings, labor or services which the Board deems necessary or proper for the maintenance and repair of the Units and the Common Furnishings;

(d) To cause to be prepared and to approve an annual budget;

(e) To levy, collect, and enforce Operation Fees and Personal Charges against the Owners in the manner provided in the Declaration in order to pay all of the costs of the Time-share Regime operation and to do all things necessary to enforce each Owner's obligations under the Declaration;

(f) To employ, dismiss and control the personnel necessary for the maintenance and operation of the Timeshare

Regime including legal counsel, accountants, contractors and other professionals, as needed;

(g) To delegate all or a portion of the responsibilities of the Board for management of the Timeshare Regime and the Council II, respectively, to one (1) or more agents, including without limitation, the Manager;

(h) To adopt, publish, and enforce, from time to time, Rules and Regulations pertaining to the possession, use and enjoyment of the Units and the Common Furnishings, which Rules and Regulations shall be consistent with the provisions of the Declaration and these Bylaws;

(i) To open bank accounts on behalf of the Council II and its Members, and to designate the signatures required therefor;

(j) To procure insurance, pursuant to the provisions of the Declaration and these Bylaws;

(k) To appoint such committee(s) as the Board may deem appropriate, which, to the extent provided in the resolution appointing such committee(s), shall have the powers of the Board of Directors in the affairs and business of the Council II;

(l) To enter into and terminate agreements, on behalf of the Council II, including but not limited to the Management Agreement and agreements with organizations allowing Owners to exchange the use of their Co-Ownership Estates with owners, lessees or certificate holders of time periods at other resorts;

(m) To perform all other acts deemed by the Board to be necessary, desirable or appropriate in order to ensure the proper maintenance, repair, replacement, restoration, improvement and operation of the Timeshare Regime and to ensure the proper operation and administration of the Council II; and

(n) To suspend the voting rights of a Member for failure to comply with these Bylaws or the Rules and Regulations of the Council II or with any other obligations of the Owners pursuant to the Declaration.

4.16. Non-Delegation. Nothing in this Article or elsewhere in these Bylaws shall be considered to grant to the Board, the Association or to the officers of the Association any powers or duties which, by law, have been delegated to the Owners.

ARTICLE V
OFFICERS

5.1. Designation. At each annual meeting of the Board, the directors present at said meeting shall elect the following officers of the Council II by a majority vote:

(a) a President who shall be a director and who shall preside over the meetings of the Board and of the Members and who shall be the chief executive officer of the Council II;

(b) a Secretary, who shall keep the minutes of all meetings of the Board and of the Members, and who shall, in general, perform all the duties incident to the office of Secretary;

(c) a Treasurer, who shall be responsible for establishing and maintaining bank accounts, preparing the annual budget, maintaining financial records and books of account and establishing the manner in which such records and books are kept and reported; and

(d) such additional officers, including one or more Vice Presidents, as the Board shall see fit to elect.

5.2. Powers. The respective officers shall have the general powers usually vested in such officers; provided that the Board may delegate any specific powers to any other officer or impose such limitations or restrictions upon the powers of any officer as the Board may see fit.

5.3. Term of Office. Each officer shall hold office for the term of one year or until his successor shall have been elected.

5.4. Vacancies. Vacancies in any office shall be filled by the Board by a majority vote of the Board at a duly called meeting of said Board. Any officer so elected to fill a vacancy shall hold office for a term equal to the unexpired term of the officer he succeeds. Any officer may be removed for cause at any time by vote of majority of the Board at a duly called meeting.

5.5. Compensation. The officers shall receive no compensation for their services as officers, unless expressly provided for in a resolution duly adopted by a majority of the Members. Nothing contained herein shall preclude any officer from serving the Council II in any other capacity and receiving compensation thereof.

5.6. Execution of Instruments. All agreements, contracts, deeds, leases, checks and other instruments of the Council II shall be executed by the President, Vice President or by such other

person or persons, including the Manager, as may be designated by the Board of Directors.

5.7. Inspection of Records. Any Member may inspect the Council II records of receipts and expenditures at any reasonable time during convenient weekday business hours, and, upon ten days notice to the Board of Directors or Manager, if any, and upon payment of a reasonable fee, any Member shall be furnished a statement of account setting forth the amount of any unpaid Operation Fee or other charges due and owing from such Member.

ARTICLE VI INDEMNIFICATION

6.1. General. To the fullest extent permitted by law the Council II shall indemnify and hold harmless each of its Directors and officers, each member of any committee appointed pursuant to the Bylaws of the Council II and Declarant, against all contractual and other liabilities to others arising out of contracts made by or other acts of such Directors, officers, committee members, or Declarant, on behalf of the Owners or arising out of their status as Directors, officers or committee members, unless any such contract or act shall have been made fraudulently or with gross negligence or criminal intent. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses (including but not limited to, counsel fees, amounts of judgements paid and amounts paid in settlement) reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative or other, in which any such Director, officer or committee member may be involved by virtue of such persons being or having been such Director, officer or committee member; provided, however, that such indemnity shall not be operative with respect to (a) any matter as to which such person shall have been finally adjudged in such action, suit or proceeding to be liable for gross negligence or fraud in the performance of his duties as such Director, officer or committee member, or (b) any matter settled or compromised, unless, in the opinion of independent counsel selected by or in a manner determined by the Board, there is not reasonable ground for such persons being adjudged liable for gross negligence or fraud in the performance of his duties as such Director, officer or committee member.

6.2. Success on Merits. To the extent that the Declarant or a member of the Board of Directors or an officer of the Council II or a member of any committee appointed pursuant to the Bylaws of the Council II has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 6.1, or in the defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

6.3. Advance Payment. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Council II in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case upon receipt of an undertaking by or on behalf of the person or entity seeking such indemnification or payment in advance to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Council II as authorized in this Article VI.

6.4. Miscellaneous. The Council II and the Board shall have the power to raise and the responsibility for raising, by Special Operation Fee or otherwise, any sums required to discharge its obligations under this Article; provided, however, that the liability of any Owner arising out of any contract made by or other acts of the directors, Board, officers, members of such committees, or Declarant, or out of the aforesaid indemnity in favor of the directors, board, officers, members of such committees, or Declarant shall be limited to such proportion of the total liability hereunder as said Owner's percentage of the ownership bears to the total percentage of ownership of all the Owners. In every agreement made by the directors, Board, officers, member of such committees, Declarant or the Manager, as the case may be, said persons are acting only as agents for the Owners and shall have no personal liability thereunder, and that each Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his percentage of ownership bears to the total percentage of ownership of all Owners. The indemnification provided by this Article VI shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any statute, agreement, vote of members of the Council II or disinterested members of the Board of Directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. Such right to indemnification shall continue as to a person or entity who has ceased to be a member of the Board of Directors, officer of the Council II or a member of such committee, and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of each person or entity.

ARTICLE VII
CONTRACTUAL POWERS

7.1. Interested Directors. No contract or other transaction between the Council II and one or more of its directors or between the Council II and any corporation or association in which one or more of the directors of this Council II are directors, or are financially interested, is void or voidable because such director or directors are present at the meeting of the Board or a com-

mittee thereof which authorizes or approves the contract or transaction or because his or their votes are counted, if the contract or transaction is just and reasonable to the Council II at the time it is authorized or approved.

ARTICLE VIII
RULES AND REGULATIONS

8.1. Adoption. The Board of Directors shall have the right to establish and amend, from time to time, such uniform Rules and Regulations as the Board may deem necessary and appropriate for the management, preservation, safety, control and orderly operation of the Timeshare Regime and for the benefit of all of the Owners. Such Rules and Regulations may, to the extent not in conflict with the provisions of the Declaration and these Bylaws, impose reasonable restrictions upon the use and occupancy of the Units as the Board, in its sole discretion, deems necessary or appropriate.

8.2. Compliance with Rules and Regulations. Each Owner shall obey the Rules and Regulations, as the same may lawfully be amended from time to time, and shall ensure that the same are faithfully observed by the members of his family, his guests, invitees, and licensees. Each person who comes within the Timeshare Regime shall be subject to the Rules and Regulations for the duration of his presence therein. A copy of the Rules and Regulations, as amended from time to time, shall be made available to Owners upon request.

8.3. Conflict. In the event of any conflict between the Rules and Regulations, as amended from time to time, and the Declaration or these Bylaws, the Declaration and Bylaws shall control.

ARTICLE IX
FINANCES AND OPERATION FEE

9.1. Operation Fees. Operation Fees shall be paid by Members and collected by the Council II in the manner and according to the terms and provisions set forth in Article XII of the Declaration.

9.2. Lien to Secure Payment. All sums assessed by the Board pursuant to the provisions of the Declaration shall constitute a lien on the Co-Ownership Estate of the Owner and shall be enforceable by the Council II on behalf of its Members as set forth in Article XIII of the Declaration.

9.3. Depositories. The funds of the Council II shall be deposited in a federally insured institution and shall be withdrawn by the person or persons so designated by the Board. Said funds shall be deposited in one or more accounts; provided however, all funds allocated as reserves in the annual budget and collected by the Council II shall be deposited in a separate and segregated account with no other funds being commingled therewith. No withdrawals shall be made from said reserve account for any purpose other than for the replacement, repair and/or acquisition of Common Furnishings.

9.4. Fiscal Year. The Council II shall operate on a fiscal year which begins on the first day of January of each year; provided, however, that the Board of Directors may, in its sole discretion, change to a different fiscal year in the event that the Board of Directors deems it advisable to do so.

9.5. Records and Statement of Account. The Board shall cause to be kept detailed records of the receipts and expenditures of the Council II specifying and itemizing the Common Expenses incurred. Payment vouchers may be approved in such manner as the Board may determine. All such books and records shall be kept in accordance with generally accepted accounting principles, consistently applied.

ARTICLE X AMENDMENTS

10.1. Members. These Bylaws may be amended or modified by vote of three-fourths (3/4) of all of the Members eligible to vote; provided, however, so long as Declarant remains the Owner of one or more Co-Ownership Estate these Bylaws shall not be amended so as to adversely effect the Declarant, including but not limited to taking away the Declarant's right to appoint a director as herein provided.

10.2. Board. The Board shall have the authority, without the joinder or consent of any other party, to make any amendment to these Bylaws necessary to clarify any conflicting provisions hereof, to correct any mistakes or errors of a clerical nature and/or to carry out the requirements of the Texas Real Estate Commission.

10.3. Records. Such amendments shall be maintained in the corporate records of the Council II.

014-19-1726

KNOW ALL MEN BY THESE PRESENTS, that the undersigned Secretary of the Pirates' Cove Townhome Council II does hereby certify that the above and foregoing Bylaws were duly adopted by the directors of the Council II as the Bylaws of the Council II on the 14 day of February, 1990.

A. Karen West
Secretary

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS OF REAL PROPERTY

Patricia Ritchie

1999 DEC 30 11:24 AM 9965182
STRIM_T \$47.00
Patricia Ritchie, COUNTY CLERK
GALVESTON, TEXAS

AKW/ns/HBLPCTCI/01-08-90

~~14~~

19

9036260

AMENDMENT TO SUPPLEMENTAL
DECLARATION OF CO-OWNERSHIP
FOR
PIRATES' COVE TOWNHOMES

007-25-0224

THE STATE OF TEXAS
COUNTY OF GALVESTON

KNOW ALL MEN BY THESE PRESENTS:

This Amendment to Supplemental Declaration of Co-Ownership for Pirates' Cove Townhomes, is made and executed on this 22nd day of October, 1990, ("Amendment") by The Woodlands Corporation a Delaware corporation whose principal place of business is 2201 Timberloch Place, The Woodlands, Texas 77380 ("Declarant").

W I T N E S S E T H

WHEREAS, that certain Declaration of Co-Ownership for Pirates' Cove Townhomes ("Declaration") was filed for record under County Clerk File No. 8811841 of the Real Property Records of Galveston County, Texas whereby certain lots in the Pirates' Cove Townhomes were submitted to a Timeshare Regime. (All capitalised terms used herein shall have the same meaning ascribed to them in the Declaration unless otherwise stated);

WHEREAS, that certain Supplemental Declaration of Co-Ownership for Pirates' Cove Townhomes was filed for record under County Clerk File No. 8919554 of the Real Property Records of Galveston County, Texas ("Supplemental Declaration") whereby certain Lots were deannexed from the Timeshare Regime pursuant to Article VIII of the Declaration; and

WHEREAS, Declarant now desires to amend the Supplemental Declaration.

NOW, THEREFORE, Declarant does hereby amend the Supplemental Declaration by adding the following section to Article II:

"2.7. Exhibit C to the Declaration shall be deleted in its entirety, and Exhibit C attached hereto shall be substituted in place thereof."

Except as herein amended, all the provisions of the Declaration and the Supplemental Declaration shall remain in full effect as originally written and recorded.

IN WITNESS WHEREOF, Declarant has duly executed this Amendment this 22nd day of October, 1990.

THE WOODLANDS CORPORATION

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

007-25-0225

THE STATE OF TEXAS

§
§
§

COUNTY OF MONTGOMERY

This instrument was acknowledged before me on October 25, 1990, by J. Leonard Rogers, Senior Vice President of The Woodlands Corporation, a Delaware corporation, on behalf of said corporation.



Natalie F. Claunch
Notary Public, State of Texas

AKW/ns/BASDCPCT

AFTER RECORDING RETURN TO:

Mitchell West
P.O. Box
The Woodlands, Texas 77387-4000

PAID

ATTN: Marie Wheeler

007-25-0226

EXHIBIT "C"

PIRATES COVE TOWNHOME COUNCIL
PERCENTAGE INTEREST IN COMMON FURNISHINGS AND
COMMON EXPENSES PER CO-OWNERSHIP ESTATE

Unit Type A: 2.7175%
Unit Type B: 3.2868%
Unit Type C: 3.9340%
Unit Type E: 5.2013%

WJ

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

OCT 30 1980

FILED FOR RECORD
30 OCT 30 AM 9:48

Jessie L. Kirkendall
COUNTY CLERK
GALVESTON COUNTY, TEXAS



Jessie L. Kirkendall
COUNTY CLERK
GALVESTON CO., TEXAS

AKW/pe/BPCTC

8919554

006-48-1449

SUPPLEMENTAL
DECLARATION OF CO-OWNERSHIP
FOR
PIRATES' COVE TOWNHOMES

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF GALVESTON §

This Supplemental Declaration of Co-Ownership for Pirates' Cove Townhomes, is made and executed on this 15th day of June, 1989, ("Supplemental Declaration") by The Woodlands Corporation a Delaware corporation whose principal place of business is 2201 Timberloch Place, The Woodlands, Texas 77380 ("Declarant").

W I T N E S S E T H

WHEREAS, that certain Declaration of Co-Ownership for Pirates' Cove Townhomes ("Declaration") was filed for record under County Clerk File No. 8811841 of the Real Property Records of Galveston County, Texas whereby certain lots in the Pirates' Cove Townhomes were submitted to a Timeshare Regime. (All capitalized terms used herein shall have the same meaning ascribed to them in the Declaration unless otherwise stated);

WHEREAS, Declarant is the owner of the following described real property and all appurtenances thereto situated in County of Galveston, State of Texas and being known as Pirates' Cove Townhomes, to wit:

Lot 1, Lot 2, Lot 3, Lot 4, Lot 7, Lot 9, Lot 11, Lot 19, Lot 20, Lot 21, Lot 22, Lot 24, Lot 26, Lot 28, Lot 29, Lot 30, Lot 31, Lot 32, Lot 33, Lot 34, Lot 35, Lot 36 and Lot 37 according to the map or plat thereof entitled Lake Como Townhouses at Pirates' Beach recorded in Plat Record 17, Map Number 111 of the Plat of Galveston County, Texas (collectively the "Lots")

WHEREAS, Declarant now desires to deannex the Lots and all rights and privileges belonging or in any wise pertaining thereto from the Timeshare Regime pursuant to Article VIII of the Declaration;

NOW, THEREFORE, Declarant, as the owner of the real property hereinabove described for itself, its successors, grantees and assigns, does hereby:

1. Deannex the Lots from the Timeshare Regime and declare that the Lots are no longer bound by the covenants, conditions, reservations, restrictions and limitations contained in the Declaration.

2. Amend the Declaration as provided in Article II below.

ARTICLE I
DEANNEXATION

1.1. The Lots are hereby deannexed from the Timeshare Regime in accordance with the provision of Article VIII of the Declaration.

1.2. The provisions of the Declaration shall no longer apply to the Lots.

1.3. The Lots shall no longer be subject to the jurisdiction of the Council.

ARTICLE II
AMENDMENTS TO THE DECLARATION

2.1. Section 1.32 of the Declaration is hereby amended to delete Lot 7 and Lot 9 from 1.32(a); delete Lot 11, Lot 19, Lot 20, Lot 21 and Lot 22 from 1.32(b); delete Lot 1, Lot 2, Lot 3, Lot 4, Lot 24 and Lot 26 from 1.32(c); and delete Lot 28, Lot 29, Lot 30, Lot 31, Lot 32, Lot 33, Lot 34, Lot 35, Lot 36 and Lot 37 from 1.32(d).

2.2. Section 3.1 of the Declaration is hereby amended to delete Lot 7 and Lot 9.

2.3. Section 3.2 of the Declaration is hereby amended to delete Lot 11, Lot 19, Lot 20, Lot 21 and Lot 22.

2.4. Section 3.3 of the Declaration is hereby amended to delete Lot 1, Lot 2, Lot 3, Lot 4, Lot 24 and Lot 26.

2.5. Section 3.4 of the Declaration is hereby amended to delete Lot 28, Lot 29, Lot 30, Lot 31, Lot 32, Lot 33, Lot 34, Lot 35, Lot 36 and Lot 37.

006-48-1451

2.6. Section 5.2 of the Declaration is hereby amended by deleting the phrase "25% or 1/4 of each Lot and .833% or 1/120 of the entire Timeshare Regime" where it appears therein and substituting the phrase "25% or 1/4 of each Lot and 3.571% or 1/28 of the entire Timeshare Regime".

Except as herein amended, all the provisions of the Declaration shall remain in full force and effect as originally written and recorded.

IN WITNESS WHEREOF, Declarant has duly executed this Supplemental Declaration this 15th day of June, 1989.

THE WOODLANDS CORPORATION

By: JLR
Name: J. Leonard Rogers
Title: Senior Vice President *akw*

THE STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

This instrument was acknowledged before me on June 15, 1989, by J. Leonard Rogers, Senior Vice President of The Woodlands Corporation, a Delaware corporation, on behalf of said corporation.

Natalie F. Claunch
Printed Name: Natalie F. Claunch
Notary Public, State of Texas
My Commission Expires: 9-6-92

AFTER RECORDING RETURN TO:
Mitchell/Southwest
P.O. Box 4000
The Woodlands, Texas
77387-4000

ATTN: Marie Wheeler

576-

006-48-1452

FILED FOR RECORD
89 JUN 19 PH 2:55

Jessie B. Kirkendall
COUNTY CLERK
GALVESTON COUNTY, TEXAS

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

JUN 19 1989



Jessie B. Kirkendall
COUNTY CLERK
GALVESTON CO., TEXAS

007-45-1392

9109219

SECOND SUPPLEMENTAL
DECLARATION OF CO-OWNERSHIP
FOR
PIRATES' COVE TOWNHOMES

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF GALVESTON §

This Second Supplemental Declaration of Co-Ownership for Pirates' Cove Townhomes, is made and executed on this 18th day of March, 1991, ("Second Supplemental Declaration") by The Woodlands Corporation a Delaware corporation whose principal place of business is 2201 Timberloch Place, The Woodlands, Texas 77380 ("Declarant").

W I T N E S S E T H

WHEREAS, that certain Declaration of Co-Ownership for Pirates' Cove Townhomes ("Declaration") filed for record under County Clerk's File No. 8811841, that certain Supplemental Declaration of Co-Ownership for Pirates' Cove Townhomes ("Supplemental Declaration") filed for record under County Clerk's File No. 8919554, and that certain Amendment to Supplemental Declaration of Co-Ownership for Pirates' Cove Townhomes ("Amendment") filed for record under County Clerk's File No. 9036260, all of the Real Property Records of Galveston County, Texas whereby certain lots in the Pirates' Cove Townhomes were submitted to a Timeshare Regime. (All capitalized terms used herein shall have the same meaning ascribed to them in the Declaration and Supplemental Declaration unless otherwise stated);

WHEREAS, Declarant is the owner of the following described real property and all appurtenances thereto situated in County of Galveston, State of Texas and being known as Pirates' Cove Townhomes, to wit:

Lot No. 18 according to the map or plat thereof entitled Lake Como Townhouses at Pirates' Beach recorded in Plat Record 17, Map Number 111 of the Plat Records of Galveston County, Texas (collectively the "Lot")

WHEREAS, Declarant now desires to deannex the Lot and all rights and privileges belonging or in any wise pertaining thereto from the Timeshare Regime pursuant to Article VIII of the Declaration;

007-45-1393

NOW, THEREFORE, Declarant, as the owner of the real property hereinabove described for itself, its successors, grantees and assigns, does hereby:

1. Deannex the Lot from the Timeshare Regime and declare that the Lots are no longer bound by the covenants, conditions, reservations, restrictions and limitations contained in the Declaration.

2. Amend the Declaration as provided in Article II below.

**ARTICLE I
DEANNEXATION**

1.1. The Lot is hereby deannexed from the Timeshare Regime in accordance with the provision of Article VIII of the Declaration.

1.2. The provisions of the Declaration shall no longer apply to the Lot.

1.3. The Lot shall no longer be subject to the jurisdiction of the Council.

**ARTICLE II
AMENDMENTS TO THE DECLARATION**

2.1 Section 1.11 of the Declaration is hereby amended to change the Declarant's name from Mitchell/Southwest to The Woodlands Corporation.

2.2. Section 1.32 of the Declaration is hereby amended to delete Lot 18 from 1.32(b).

2.3. Section 3.2 of the Declaration is hereby amended to delete Lot 18.

2.4. Section 5.2 of the Declaration is hereby amended by deleting the phrase "3.571% or 1/28 of the entire Timeshare Regime" where it appears therein and substituting the phrase "4.167% or 1/24 of the entire Timeshare Regime".

2.5 Exhibit C to the Declaration shall be deleted in its entirety and Exhibit C attached hereto shall be substituted in place thereof.

Except as herein amended, all the provisions of the Declaration shall remain in full force and effect as originally written and recorded.

IN WITNESS WHEREOF, Declarant has duly executed this Second Supplemental Declaration this 18th day of March, 1991.

007-45-1394

THE WOODLANDS CORPORATION

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

THE STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

This instrument was acknowledged before me on March 18,
1991, by J. Leonard Rogers, Senior Vice President of The Woodlands
Corporation, a Delaware corporation, on behalf of said corporation.



Natalie F. Claunch
Printed Name: Natalie F. Claunch
Notary Public, State of Texas
My Commission Expires: 9-6-92

AKW/pf/BSDCPCT

When Recorded Return To:
The Woodlands Corporation
Attn: Mary Rose
P. O. Box 4000
The Woodlands, Texas 77380

007-45-1395

Exhibit "C"

**Pirates Cove Townhome Council
Percentage Interest in Common Furnishings and
Common Expenses per Co-Ownership Estate**

Unit Type A: 3.129%
Unit Type B: 3.784%
Unit Type C: 4.529%
Unit Type E: 5.989%

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

MAR 21 1991



Jessie B. Kirkendall
COUNTY CLERK
GALVESTON CO., TEXAS

FILED FOR RECORD
91 MAR 21 AM 8:36
Jessie B. Kirkendall
COUNTY CLERK
GALVESTON COUNTY, TEXAS

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

*014 - Galveston
14119 Stewart Rd.
Galveston, TX 77554*

013-33-1772

**THIRD SUPPLEMENTAL
DECLARATION OF CO-OWNERSHIP
FOR
PIRATES' COVE TOWNHOMES**

THE STATE OF TEXAS

§

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF GALVESTON

§

§

This Third Supplemental Declaration of Co-Ownership for Pirates' Cove Townhomes ("Third Supplemental Declaration"), is made and executed on this 15th day of October, 1998, by BLACKARD GALVESTON, INC., a Texas corporation ("Declarant"), whose principal place of business is 17130 Dallas Parkway, Suite 210, Dallas, Texas 75248 .

W I T N E S S E T H:

WHEREAS, that certain Declaration of Co-Ownership for Pirates' Cove Townhomes ("Declaration") filed for record under County Clerk's File No. 8811841, that certain Supplemental Declaration of Co-Ownership for Pirates' Cove Townhomes ("Supplemental Declaration") filed for record under County Clerk's File No. 8919554, that certain Amendment to Supplemental Declaration of Co-Ownership for Pirates' Cove Townhomes ("Amendment to Supplemental Declaration") filed for record under County Clerk's File No. 9036260, and that certain Second Supplemental Declaration of Co-Ownership for Pirates' Cove Townhomes ("Second Supplemental Declaration") filed for record under County Clerk's File No. 9109219, all of the Real Property Records of Galveston County, Texas, whereby certain lots in the Pirates' Cove Townhomes were submitted to a Timeshare Regime. (All capitalized terms used herein shall have the same meaning ascribed to them in the Declaration unless otherwise stated);

WHEREAS, Declarant is the owner of the following described real property and all appurtenances thereto situated in the County of Galveston, State of Texas:

Lot 25, Block 1 in LAKE COMO TOWNHOUSES AT PIRATES BEACH, a subdivision in Galveston County, Texas, according to the map thereof recorded in Volume 17, Page 111, in the Office of the County Clerk of Galveston County, Texas (the "Lot")

RECORDER'S MEMORANDUM

At the time of recordation, this instrument was found to be inadequate for the best photographic reproduction because of illegibility, carbon or photo copy, discolored paper, etc. All blockouts, additions and changes were present at the time the instrument was filed and recorded.

WHEREAS, Declarant now desires to deannex the Lot and all rights and privileges belonging or in any wise pertaining thereto from the Timeshare Regime pursuant to Article VIII of the Declaration;

NOW, THEREFORE, Declarant, as the owner of the real property hereinabove described for itself, its successors, grantees and assigns, does hereby:

1. Deannex the Lot from the Timeshare Regime and declare that the Lot is no longer bound by the covenants, conditions, reservations, restrictions and limitations contained in the Declaration.
2. Amend the Declaration as provided in Article II below.

ARTICLE I DEANNEXATION

- 1.1 The Lot is hereby deannexed from the Timeshare Regime in accordance with the provision of Article VIII of the Declaration.
- 1.2 The provisions of the Declaration shall no longer apply to the Lot.
- 1.3 The Lot shall no longer be subject to the jurisdiction of the Council.

ARTICLE II AMENDMENTS TO THE DECLARATION

- 2.1 Section 1.11 of the Declaration is hereby amended to change the Declarant's name from The Woodlands Corporation to Blackard Galveston, Inc.
- 2.2 Section 1.32 of the Declaration is hereby amended to delete Lot 25 from Section 1.32(d).
- 2.3 Section 3.3 of the Declaration is hereby amended to delete Lot 25 therefrom.
- 2.4 Section 5.2 of the Declaration is hereby amended by deleting the phrase "4.167% or 1/24 of the entire Timeshare Regime" where it appears therein and substituting the phrase "5.000% or 1/20 of the entire Timeshare Regime."
- 2.5 Exhibit C to the Declaration shall be deleted in its entirety and Exhibit C attached hereto shall be substituted in place thereof.

Except as herein amended, all the provisions of the Declaration, the Supplemental Declaration, the Amendment to Supplemental Declaration, and the Second Supplemental Declaration shall remain in full force and effect as originally written and recorded.

IN WITNESS WHEREOF, a Declarant has duly executed this Third Supplemental Declaration this 15th day of October, 1998.

BLACKARD GALVESTON, INC.,
a Texas corporation

By: _____

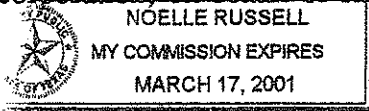
Jeffery D. Blackard, President

THE STATE OF TEXAS

§
§
§

COUNTY OF DALLAS

This instrument was acknowledged before me on October 15th, 1998, by JEFFORY D. BLACKARD, President of BLACKARD GALVESTON, INC., a Texas corporation, on behalf of said corporation.



Noelle Russell
Notary Public, State of Texas

My Commission Expires:

3-17-01

Exhibit "C"

**Pirates Cove Townhome Council
Percentage Interest in Common Furnishings and
Common Expenses per Co-Ownership Estate**

Unit Type A: 15.2837%

Unit Type B: 18.4853%

Unit Type E: 29.2604%

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS OF REAL PROPERTY

Patricia Ritchie

2-19-99 08:18 AM 9907652
NASCHLT \$15.00
Patricia Ritchie, County Clerk
GALVESTON COUNTY, TEXAS

99205578-31

GAC 9915956 4 PGS

STEWART TITLE COMPANY

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

013-46-0056

**FOURTH SUPPLEMENTAL
DECLARATION OF CO-OWNERSHIP
FOR
PIRATES' COVE TOWNHOMES**

THE STATE OF TEXAS §
 § **KNOW ALL MEN BY THESE PRESENTS:**
COUNTY OF GALVESTON §

This Fourth Supplemental Declaration of Co-Ownership for Pirates' Cove Townhomes ("Third Supplemental Declaration"), is made and executed on this March 31st day of 1999, by BLACKARD GALVESTON, INC., a Texas corporation ("Declarant"), whose principal place of business is 17130 Dallas Parkway, Suite 210, Dallas, Texas 75248.

WITNESSETH:

WHEREAS, that certain Declaration of Co-Ownership for Pirates' Cove Townhomes ("Declaration") filed for record under County Clerk's File No. 8811841, that certain Supplemental Declaration of Co-Ownership for Pirates' Cove Townhomes ("Supplemental Declaration") filed for record under County Clerk's File No. 8919554, that certain Amendment to Supplemental Declaration of Co-Ownership for Pirates' Cove Townhomes ("Amendment to Supplemental Declaration") filed for record under County Clerk's File No. 9036260, that certain Second Supplemental Declaration of Co-Ownership for Pirates' Cove Townhomes ("Second Supplemental Declaration") filed for record under County Clerk's File No. 9109219, and that certain Third Supplemental Declaration of Co-Ownership for Pirates' Cove Townhomes ("Third Supplemental Declaration") filed for record under County Clerk's File No. _____, all of the Real Property Records of Galveston County, Texas, whereby certain lots in the Pirates' Cove Townhomes were submitted to a Timeshare Regime. (All capitalized terms used herein shall have the same meaning ascribed to them in the Declaration unless otherwise stated);

WHEREAS, Declarant is the owner of the following described real property and all appurtenances thereto situated in the County of Galveston, State of Texas:

Lot 10, Block 1 in LAKE COMO TOWNHOUSES AT PIRATES BEACH, a subdivision in Galveston County, Texas, according to the map thereof recorded in Volume 17, Page 111, in the Office of the County Clerk of Galveston County, Texas (the "Lot")

WHEREAS, Declarant now desires to deannex the Lot and all rights and privileges belonging or in any wise pertaining thereto from the Timeshare Regime pursuant to Article VIII of the Declaration;

NOW, THEREFORE, Declarant, as the owner of the real property hereinabove described for itself, its successors, grantees and assigns, does hereby:

1. Deannex the Lot from the Timeshare Regime and declare that the Lot is no longer bound by the covenants, conditions, reservations, restrictions and limitations contained in the Declaration.
2. Amend the Declaration as provided in Article II below.

ARTICLE I DEANNEXTION

- 1.1 The Lot is hereby deannexed from the Timeshare Regime in accordance with the provision of Article VIII of the Declaration.
- 1.2 The provisions of the Declaration shall no longer apply to the Lot.
- 1.3 The Lot shall no longer be subject to the jurisdiction of the Council.

ARTICLE II AMENDMENTS TO THE DECLARATION

- 2.1 Section 1.32 of the Declaration is hereby amended to delete Lot 10 from Section 1.32(d).
- 2.2 Section 3.3 of the Declaration is hereby amended to delete Lot 10 therefrom.
- 2.3 Section 5.2 of the Declaration is hereby amended by deleting the phrase "5.000% or 1/20 of the entire Timeshare Regime" where it appears therein and substituting the phrase "6.250% or 1/16 of the entire Timeshare Regime."
- 2.4 Exhibit C to the Declaration shall be deleted in its entirety and Exhibit C attached hereto shall be substituted in place thereof.

Except as herein amended, all the provisions of the Declaration, the Supplemental Declaration, the Amendment to Supplemental Declaration, the Second Supplemental Declaration, and the Third Supplemental Declaration shall remain in full force and effect as originally written and recorded.

IN WITNESS WHEREOF, a Declarant has duly executed this Fourth Supplemental Declaration this 31st day of March, 1999.

BLACKARD GALVESTON, INC.,
a Texas corporation

By: [Signature]
Jeffery D. Blackard, President

THE STATE OF TEXAS §
 §
COUNTY OF DALLAS §
 §
 §

This instrument was acknowledged before me on March 31st, 1999, by JEFFORY D. BLACKARD, President of BLACKARD GALVESTON, INC., a Texas corporation, on behalf of said corporation.

[Signature]
Notary Public, State of Texas

My Commission Expires:
7/17/02



Exhibit "C"

**Pirates Cove Townhome Council
Percentage Interest in Common Furnishings and
Common Expenses per Co-Ownership Estate**

Unit Type A: 4.6874%
Unit Type B: 11.3386%
Unit Type E: 8.9740%

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS OF REAL PROPERTY



4-5-99 03:53 PM 9915956
GULIS_M \$15.00
Patricia Ritchie, County Clerk
SALVESTON COUNTY, TEXAS



013-97-0175

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

FIFTH SUPPLEMENTAL
DECLARATION OF CO-OWNERSHIP
FOR
PIRATES' COVE TOWNHOMES

THE STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

KNOW ALL MEN BY THESE PRESENTS:

This Fifth Supplemental Declaration of Co-Ownership for Pirates' Cove Townhomes ("Fifth Supplemental Declaration"), is made and executed on this 30 day of September, 1999, by BLACKARD GALVESTON, INC., a Texas corporation ("Declarant"), whose principal place of business is 17130 Dallas Parkway, Suite 210, Dallas, Texas 75248.

WITNESSETH:

WHEREAS, that certain Declaration of Co-Ownership for Pirates' Cove Townhomes ("Declaration") filed for record under County Clerk's File No. 8811841, that certain Supplemental Declaration of Co-Ownership for Pirates' Cove Townhomes ("Supplemental Declaration") filed for record under County Clerk's File No. 8919554, that certain Amendment to Supplemental Declaration of Co-Ownership for Pirates' Cove Townhomes ("Amendment to Supplemental Declaration") filed for record under County Clerk's File No. 9036260, that certain Second Supplemental Declaration of Co-Ownership for Pirates' Cove Townhomes ("Second Supplemental Declaration") filed for record under County Clerk's File No. 9109219, that certain Third Supplemental Declaration of Co-Ownership for Pirates' Cove Townhomes ("Third Supplemental Declaration") filed for record under County Clerk's File No. 9126115, and that certain Fourth Supplemental Declaration of Co-Ownership for Pirates' Cove Townhomes ("Fourth Declaration") filed for record under County Clerk's File No. 9136885, all of the Real Property Records of Galveston County, Texas, whereby certain lots in the Pirates' Cove Townhomes were submitted to a Timeshare Regime. (All capitalized terms used herein shall have the same meaning ascribed to them in the Declaration unless otherwise stated);

525 991324

WHEREAS, Declarant is the owner of the following described real property and all appurtenances thereto situated in the County of Galveston, State of Texas:

Lot 15, Block 1 in LAKE COMO TOWNHOUSES AT PIRATES BEACH, a subdivision in Galveston County, Texas, according to the map thereof recorded in Volume 17, Page 111, in the Office of the County Clerk of Galveston County, Texas (the "Lot")

WHEREAS, Declarant now desires to deannex the Lot and all rights and privileges belonging or in any wise pertaining thereto from the Timeshare Regime pursuant to Article VIII of the Declaration;

NOW, THEREFORE, Declarant, as the owner of the real property hereinabove described for itself, its successors, grantees and assigns, does hereby:

1. Deannex the Lot from the Timeshare Regime and declare that the Lot is no longer bound by the covenants, conditions, reservations, restrictions and limitations contained in the Declaration.
2. Amend the Declaration as provided in Article II below.

ARTICLE I DEANNEXATION

- 1.1 The Lot is hereby deannexed from the Timeshare Regime in accordance with the provision of Article VIII of the Declaration.
- 1.2 The provisions of the Declaration shall no longer apply to the Lot.
- 1.3 The Lot shall no longer be subject to the jurisdiction of the Council.

ARTICLE II AMENDMENTS TO THE DECLARATION

- 2.1 Section 1.32 of the Declaration is hereby amended to delete Lot 15 from Section 1.32(d).
- 2.2 Section 3.3 of the Declaration is hereby amended to delete Lot 15 therefrom.
- 2.3 Section 5.2 of the Declaration is hereby amended by deleting the phrase "6.250% or 1/16 of the entire Timeshare Regime" where it appears therein and substituting the phrase "8.331/3% or 1/12 of the entire Timeshare Regime."
- 2.4 Exhibit C to the Declaration shall be deleted in its entirety and Exhibit C attached hereto shall be substituted in place thereof.

Except as herein amended, all the provisions of the Declaration, the Supplemental Declaration, the Amendment to Supplemental Declaration, the Second Supplemental Declaration, the Third Supplemental Declaration and the Fourth Supplemental Declaration shall remain in full force and effect as originally written and recorded.

IN WITNESS WHEREOF, a Declarant has duly executed this Fifth Supplemental Declaration this 30 day of September, 1999.

BLACKARD GALVESTON, INC.,
a Texas corporation

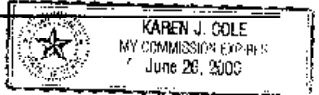
By: _____
Jeffery D. Blackard, President

THE STATE OF TEXAS §
 §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on September 30, 1999, by JEFFORY D. BLACKARD, President of BLACKARD GALVESTON, INC., a Texas corporation, on behalf of said corporation.

Karen J. Cole
Notary Public, State of Texas

My Commission Expires:



013-97-0178

Exhibit "C"

**Firates Cove Townhome Council
Percentage Interest in Common Furnishings and
Common Expenses per Co-Ownership Estate**

Unit Type A: 6.0621 %
Unit Type B: 7.3320 %
Unit Type E: 11.6059 %

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS OF REAL PROPERTY

Patricia Ritchie

10-4-99 02:12 PM 9950965
LONG.D \$15.00
Patricia Ritchie, County Clerk
GALVESTON COUNTY, TEXAS

E:\FILES\DR\130057HSUPP.DCL

STEWART TITLE COMPANY

014-46-2250

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

SIXTH SUPPLEMENTAL
DECLARATION OF CO-OWNERSHIP
FOR
PIRATES' COVE TOWNHOMES

THE STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

KNOW ALL MEN BY THESE PRESENTS:

Thus Sixth Supplemental Declaration of Co-Ownership for Pirates' Cove Townhomes ("Sixth Supplemental Declaration"), is made and executed on this 31st day of March, 2000, by BLACKARD GALVESTON, INC., a Texas corporation ("Declarant"), whose principal place of business is 5385 FM 2934, Frisco, Texas 75034.

WITNESSETH:

WHEREAS, that certain Declaration of Co-Ownership for Pirates' Cove Townhomes ("Declaration") filed for record under County Clerk's File No. 8811841, that certain Supplemental Declaration of Co-Ownership for Pirates' Cove Townhomes ("Supplemental Declaration") filed for record under County Clerk's File No. 8919554, that certain Amendment to Supplemental Declaration of Co-Ownership for Pirates' Cove Townhomes ("Amendment to Supplemental Declaration") filed for record under County Clerk's File No. 9036260, that certain Second Supplemental Declaration of Co-Ownership for Pirates' Cove Townhomes ("Second Supplemental Declaration") filed for record under County Clerk's File No. 9109219, that certain Third Supplemental Declaration of Co-Ownership for Pirates' Cove Townhomes ("Third Supplemental Declaration") filed for record under County Clerk's File No. 9126113, that certain Fourth Supplemental Declaration of Co-Ownership for Pirates' Cove Townhomes ("Fourth Declaration") filed for record under County Clerk's File No. 9915956, all of the Real Property Records of Galveston County, Texas, and that certain Fifth Supplemental Declaration of Co-Ownership for Pirates' Cove Townhomes ("Fifth Declaration") filed for record under County Clerk's File No. 9950965, whereby certain lots in the Pirates' Cove Townhomes were submitted to a Timeshare Regime. (All capitalized terms used herein shall have the same meaning ascribed to them in the Declaration unless otherwise stated);

WHEREAS, Declarant is the owner of the following described real property and all appurtenances thereto situated in the County of Galveston, State of Texas:

Lot 22, Block 1 in LAKE COMO TOWNHOUSES AT PIRATES BEACH, a subdivision in Galveston County, Texas, according to the map thereof recorded in Volume 17, Page 111, in the Office of the County Clerk of Galveston County, Texas (the "Lot")

WHEREAS, Declarant now desires to deannex the Lot and all rights and privileges belonging or in any wise pertaining thereto from the Timeshare Regime pursuant to Article VIII of the Declaration;

NOW, THEREFORE, Declarant, as the owner of the real property hereinabove described for itself, its successors, grantees and assigns, does hereby:

- 1. Deannex the Lot from the Timeshare Regime and declare that the Lot is no longer bound by the covenants, conditions, reservations, restrictions and limitations contained in the Declaration.
- 2. Amend the Declaration as provided in Article II below.

**ARTICLE I
DEANNEXATION**

- 1.1 The Lot is hereby deannexed from the Timeshare Regime in accordance with the provision of Article VIII of the Declaration.
- 1.2 The provisions of the Declaration shall no longer apply to the Lot.
- 1.3 The Lot shall no longer be subject to the jurisdiction of the Council.

**ARTICLE II
AMENDMENTS TO THE DECLARATION**

- 2.1 Section 1.32 of the Declaration is hereby amended to delete Lot 22 from Section 1.32(d).
- 2.2 Section 3.3 of the Declaration is hereby amended to delete Lot 22 therefrom.
- 2.3 Section 5.2 of the Declaration is hereby amended by deleting the phrase "8.33 1/3 % or 1/12 of the entire Timeshare Regime" where it appears therein and substituting the phrase "6.250% or 1/16 of the entire Timeshare Regime."
- 2.4 Exhibit C to the Declaration shall be deleted in its entirety and Exhibit C attached hereto shall be substituted in place thereof.

Except as herein amended, all the provisions of the Declaration, the Supplemental Declaration, the Amendment to Supplemental Declaration, the Second Supplemental Declaration, the Third Supplemental Declaration, the Fourth Supplemental Declaration, and the Fifth Supplemental Declaration shall remain in full force and effect as originally written and recorded.

IN WITNESS WHEREOF, a Declarant has duly executed this Sixth Supplemental Declaration this 31st day of March, 2000.

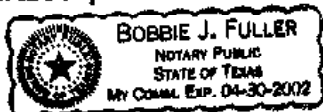
BLACKARD GALVESTON, INC.,
a Texas corporation

By: 
Jeffery D. Blackard, President

014-46-2252

THE STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on March 31, 2000, by JEFFORY D. BLACKARD, President of BLACKARD GALVESTON, INC., a Texas corporation, on behalf of said corporation.



Bobbie J. Fuller
Notary Public, State of Texas

My Commission Expires:
4-30-02

014-46-2253

Exhibit "C"

**Pirates Cove Townhome Council
Percentage Interest in Common Furnishings and
Common Expenses per Co-Ownership Estate**

Unit Type A: 4.2889%
Unit Type E: 8.2111%

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS OF REAL PROPERTY



2000 APR 12 03:52 PM 2000017664
STRIM.T \$13.00
Patricia Ritchie - COUNTY CLERK
GALVESTON, TEXAS

E:\FILES\JDB\1300\57HSUPP.DCL

Return to Ste/we



SEVENTH SUPPLEMENTAL
DECLARATION OF CO-OWNERSHIP
FOR
PIRATES' COVE TOWNHOMES

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF GALVESTON §

This Seventh Supplemental Declaration of Co-Ownership for Pirates' Cove Townhomes ("Seventh Supplemental Declaration") is made and executed on this 21st day of JULY, 2008, by Timothy S. Towner and wife, Brenda L. Towner (collectively, the "Declarant"), whose residence address is 14803 Avonlake Lane, Humble, Harris County, Texas 77396.

WITNESSETH

WHEREAS, that certain Declaration of Co-Ownership for Pirates' Cove Townhomes ("Declaration") filed for record under County Clerk's File No. 8811841 (Film Code No. 005-74-2389 and corrected under Film Code No. 005-78-1129), that certain Supplemental Declaration of Co-Ownership for Pirates' Cove Townhomes ("Supplemental Declaration") filed for record under County Clerk's File No. 8919554, that certain Amendment to Supplemental Declaration of Co-Ownership for Pirates' Cove Townhomes ("Amendment to Supplemental Declaration") filed for record under County Clerk's File No. 9036260, that certain Second Supplemental Declaration of Co-Ownership for Pirates' Cove Townhomes ("Second Supplemental Declaration") filed for record under County Clerk's File No. 9109219, that certain Third Supplemental Declaration of Co-Ownership for Pirates' Cove Townhomes ("Third Supplemental Declaration") filed for record under County Clerk's File No. 9511267, that certain Fourth Supplemental Declaration of Co-Ownership for Pirates' Cove Townhomes ("Fourth Supplemental Declaration") filed for record under County Clerk's File No. 9915956, that certain Fifth Supplemental Declaration of Co-Ownership for Pirates' Cove Townhomes ("Fifth Supplemental Declaration") filed for record under County Clerk's File No. 9950965, and that certain Sixth Supplemental Declaration of Co-Ownership for Pirates' Cove Townhomes ("Sixth Supplemental Declaration") filed for record under County Clerk's File No. 2000017664, all in the Official Public Records of Real Property of Galveston County, Texas, whereby certain lots in the Pirates' Cove Townhomes were submitted to a Timeshare Regime (All capitalized terms used herein shall have the same meaning ascribed to them in the Declaration unless otherwise stated.);

WHEREAS, Declarant is the owner of the following-described real property and all appurtenances thereto situated in the County of Galveston, State of Texas, and being known as Pirates' Cove Townhomes, to wit:

Lot Six (6), in Block One (1), in Lake Como Townhouses at Pirates Beach, a subdivision in Galveston County, Texas, according to the map thereof recorded in

Volume 17, Page 111, in the Office of the County Clerk of Galveston County, Texas, together with the rights to use said Lot during Use Periods "A," "B," "C," and "D," as specified in each of the deeds from Mitchell/Southwest, a Delaware corporation, its successors and assigns, to each of the original grantees of each of such Use Periods, and in the Declaration of Co-Ownership for Pirates' Cove Townhomes recorded under Film Code No. 005-78-1129 in the Official Public Records of Real Property in Galveston County, Texas (the "Lot").

WHEREAS, Declarant now desires to deannex the Lot and all rights and privileges belonging or in any wise pertaining thereto from the Timeshare Regime pursuant to Article VIII of the Declaration;

NOW, THEREFORE, Declarant, as the owner of the real property hereinabove described for themselves, their heirs, executors, administrators, successors, grantees, and assigns, does hereby:

1. Deannex the Lot from the Timeshare Regime and declare that the Lot is no longer bound by the covenants, conditions, reservations, restrictions, and limitations contained in the Declaration.

2. Amend the Declaration as provided in Article II below.

ARTICLE I DEANNEXATION

1.1 The Lot is hereby deannexed from the Timeshare Regime in accordance with the provision of Article VIII of the Declaration.

1.2 The provisions of the Declaration shall no longer apply to the Lot.

1.3 The Lot shall no longer be subject to the jurisdiction of the Pirates' Cove Townhome Council.

ARTICLE II AMENDMENTS TO THE DECLARATION

2.1 Section 1.32 of the Declaration is hereby amended to delete Lot 6 from Section 1.32(a) thereof.

2.2 Section 3.1 of the Declaration is hereby amended to delete Lot 6 from Section 3.1 thereof.

2.3 Section 5.2 of the Declaration is hereby amended by deleting the phrase ".833% or 1/120 of the entire Timeshare Regime" where it appears in Section 5.2 thereof

and substituting the phrase "25% or 1/4 of the entire Timeshare Regime" in Section 5.2 thereof.

2.4 Exhibit "C" to the Declaration shall be deleted in its entirety, and Exhibit "C" attached hereto shall be substituted in place thereof.

Except as herein amended, all the provisions of the Declaration, the Supplemental Declaration, the Amendment to Supplemental Declaration, the Second Supplemental Declaration, the Third Supplemental Declaration, the Fourth Supplemental Declaration, the Fifth Supplemental Declaration, and the Sixth Supplemental Declaration shall remain in full force and effect as originally written and recorded.

IN WITNESS WHEREOF, Declarant has duly executed this Seventh Supplemental Declaration of Co-Ownership for Pirates' Cove Townhomes on this 21st day of JULY, 2008.

Timothy S. Towner
Timothy S. Towner

Brenda L. Towner
Brenda L. Towner

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on the 21st day of JULY, 2008, by Timothy S. Towner and Brenda L. Towner.



Linda Foley
Notary Public in and for
the State of Texas

AFTER RECORDING RETURN TO:

RIDER & WILSON
802 Bank of America Tower
2200 Market Street
Galveston, Texas 77550

CLM/af



EXHIBIT "C"

Pirates' Cove Townhome Council
Percentage Interest in Common Furnishings and
Common Expenses per Co-Ownership Estate

Unit Type C: 25 %



FILED AND RECORDED

OFFICIAL PUBLIC RECORDS

Mary Ann Daigle

2008043554

July 25, 2000 04 49 30 PM

FEE \$28 00

Mary Ann Daigle, County Clerk
Galveston County, TEXAS



EIGHTH SUPPLEMENTAL
DECLARATION OF CO-OWNERSHIP
FOR PIRATES' COVE TOWNHOMES II

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS
COUNTY OF GALVESTON §

This Eighth Supplemental Declaration of Co-Ownership for Pirates' Cove Townhomes II is made and executed on this 26th day of July, 2010 ("Eighth Supplemental Declaration") by Gary Appelt, also known as Gary ~~W~~ Appelt, and wife, Virginia Appelt, also known as Virginia M Appelt, 1707 Pitts Road, Richmond, Fort Bend County, Texas 77406 (collectively, the "Declarant")

WITNESSETH

WHEREAS, that certain in Declaration of Co-Ownership for Pirates' Cove Townhomes II ("Declaration") filed for record under County Clerk's File No 9001486, that certain Supplemental Declaration of Co-Ownership for Pirates' Cove Townhomes ("Supplemental Declaration") filed for record under County Clerk's File No 9109217, that certain Second Supplemental Declaration of Co-Ownership for Pirates' Cove Townhomes ("Second Supplemental Declaration") filed for record under County Clerk's File No 9121485, that certain Thrd Supplemental Declaration of Co-Ownership for Pirates' Cove Townhomes ("Third Supplemental Declaration") filed for record under County Clerk's File No 9126115, that certain Fourth Supplemental Declaration of Co-ownership for Pirates' Cove Townhomes ("Fourth Supplemental Declaration") filed for record under County Clerk's File No 9136885, that certain Fifth Supplemental Declaration of Co-ownership for Pirates' Cove Townhomes ("Fifth Supplemental Declaration") filed for record under County Clerk's File No 9334929, that certain Sixth Supplemental Declaration of Co-ownership for Pirates' Cove Townhomes II ("Sixth Supplemental Declaration") filed for record under County Clerk's File No 2004053093, and that certain Seventh Supplemental Declaration of Co-ownership for Pirates' Cove Townhomes II ("Seventh Supplemental Declaration") filed for record under County Clerk's File No 2006087043, all in the Official Public Records of Real Property in Galveston County, Texas, whereby certain lots in the Pirates' Cove Townhomes were submitted to a Timeshare Regime (All capitalized terms used herein shall have the same meaning ascribed to them in the Declaration unless otherwise stated),

WHEREAS, Declarant is the owner of the following-described real property and all appurtenances thereto situated in the County of Galveston, State of Texas, and being known as Pirates' Cove Townhomes, to wit

Lot Two (2) in Block One (1) in LAKE COMO TOWNHOUSES AT PIRATES BEACH, a subdivision in Galveston, County, Texas, according to the map or plat thereof recorded in Volume 17, Page 111, in the Office of the County Clerk of Galveston County, Texas, together with the right to use said Lot during Use

Periods "A," "B," "C," "D," "E," "F," "G," and "H," as specified in each of the deeds from The Woodlands Corporation to each of the original grantees of each of such Use Periods, and in the Declaration of Co-Ownership recorded under Film Code No. 006-80-0016 in the Official Public Records of Real Property in Galveston County, Texas (collectively, the "Lot")

WHEREAS, Declarant now desires to deannex the Lot and all rights and privileges belonging or in any wise pertaining thereto from the Timeshare Regime pursuant to Article VIII of the Declaration;

NOW, THEREFORE, Declarant, as the owner of the real property hereinabove described for themselves, their heirs, executors, administrators, successors, grantees and assigns, does hereby:

1. Deannex the Lot from the Timeshare Regime and declare that the Lot is no longer bound by the covenants, conditions, reservations, restrictions, and limitations contained in the Declaration.
2. Amend the Declaration as provided in Article II below.

ARTICLE I DEANNEXATION

- 1.1 The Lot is hereby deannexed from the Timeshare Regime in accordance with the provision of Article VIII of the Declaration.
- 1.2 The provisions of the Declaration shall no longer apply to the Lot.
- 1.3 The Lot shall no longer be subject to the jurisdiction of Pirates' Cove Townhome Council II.

ARTICLE II AMENDMENTS TO THE DECLARATION

- 2.1 Section 1.32 of the Declaration is hereby amended to delete Lot 2 from Section 1.32(c.) thereof.
- 2.2 Section 3.3 of the Declaration is hereby amended to delete Lot 2 from Section 3.3 thereof.
- 2.3 Section 5.2 of the Declaration is hereby amended by deleting the phrase "1.25% or 1/80 of the entire Timeshare Regime" where it appears in Section 5.2 thereof and substituting the phrase "2.5000% or 1/40 of the entire Timeshare Regime"

24 Exhibit "C" to the Declaration shall be deleted in its entirety and Exhibit "C" attached hereto shall be substituted in place thereof

Except as herein amended, all the provisions of the Declaration, the Supplemental Declaration, the Second Supplemental Declaration, the Third Supplemental Declaration, the Fourth Supplemental Declaration, the Fifth Supplemental Declaration, the Sixth Supplemental Declaration, and the Seventh Supplemental Declaration shall remain in full force and effect as originally written and recorded

In witness whereof, Declarant has duly executed this Eighth Supplemental Declaration of Co-Ownership for Pirates' Cove Townhomes II, on this the 26th day of July, 2010

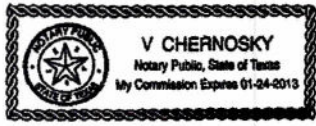
Gary Appelt
Gary Appelt, also known as Gary W Appelt

Virginia Appelt
Virginia Appelt, also known as Virginia M Appelt

THE STATE OF TEXAS §
 §
COUNTY OF Fort Bend §

This instrument was acknowledged before me on the 26th day of July, 2010, by Gary Appelt, also known as Gary W Appelt, and wife, Virginia Appelt, also known as Virginia M Appelt

V. Chernosky
Notary Public in and for
the State of Texas



AFTER RECORDING RETURN TO

RIDER & WILSON
802 Bank of America Tower
2200 Market Street
Galveston, Texas 77550

EXHIBIT "C"

**Pirates' Cove Townhome Council II
Percentage Interest in Common Furnishings and
Common Expenses per Co-Ownership Estate**

Unit Type A: 1.6785%
Unit Type B: 2.0625 %
Unit Type C: 5.0000%



FILED AND RECORDED

OFFICIAL PUBLIC RECORDS

Mary Ann Daigle

2010037181

July 29, 2010 01:47:47 PM

FEE \$28.00

Mary Ann Daigle, County Clerk

Galveston County, TEXAS

	2.50				
	3.03				
	1.45		1/40		
A =	802	.27	2	16	40
B =	970	.33	2	16	40
C =	1161	.40	1	8	20
			5	40	
	2933				
	32080	.4002		2	50
	38800	.4840		3	03
	9288	.1159		1	45
	80168				

Handwritten notes on the table:

- Top right: .6750, .8250
- Left side: 1.6875, 2.0625, 5.0000
- Bottom left: .1080, .1320, .1600

FILED AND RECORDED

Instrument Number: 2023017904

Recording Fee: 30.00

Number Of Pages: 3

Filing and Recording Date: 04/21/2023 11:32AM

I hereby certify that this instrument was FILED on the date and time stamped hereon and RECORDED in the OFFICIAL PUBLIC RECORDS of Galveston County, Texas.



A handwritten signature in black ink that reads "Dwight D. Sullivan".

Dwight D. Sullivan, County Clerk
Galveston County, Texas

NOTICE: It is a crime to intentionally or knowingly file a fraudulent court record or instrument with the clerk.

DO NOT DESTROY - *Warning, this document is part of the Official Public Record.*

NINTH AMENDMENT TO DECLARATION OF CO-OWNERSHIP FOR
PIRATES' COVE TOWNHOMES II

The Declaration of Co-Ownership for Pirates' Cove Townhomes II ("Declaration"), which is recorded under Galveston County Clerk's File Number 9001486 and Microfilm Code Number 006-80-0018 in the Official Public Records of Real Property of Galveston County, Texas, is hereby amended as follows:

1) Section 3.2. of the Declaration is hereby deleted and replaced by the following provision: 3.2. Units 11 and 19 each consists of 2 bedrooms, 1 bath, comprises approximately 970 square feet of interior space as more fully shown on Exhibit B-2 attached hereto and incorporated herein.

2) Section 3.3. of the Declaration is hereby deleted and replaced by the following provision: 3.3. Unit 24 each consists of 2 bedrooms, 1 ½ baths, comprises approximately 1161 square feet of interior space as more fully shown on Exhibit B-3 attached hereto and incorporated herein.

3) Section 3.4 of the Declaration is hereby deleted in its entirety

4) The second sentence of Section 4.2 of the Declaration is hereby deleted and replaced by the following provision : Galveston Country Club dues for a social membership will be the responsibility of each fractional Owner.

5) Section 12.1 (j) is hereby deleted and replaced by the following provision: Basic internet service and streaming capabilities.

Except as herein amended, all provisions of the Declaration, the Supplemental Declaration, the Second Supplemental Declaration, the Third Supplemental Declaration, the Fourth Supplemental Declaration, the Fifth Supplemental Declaration, the Sixth Supplemental Declaration, the Seventh Supplemental Declaration and the Eighth Supplemental Declaration shall remain in full force and effect as originally written and recorded.

EXECUTED this 21 day of April, 2023

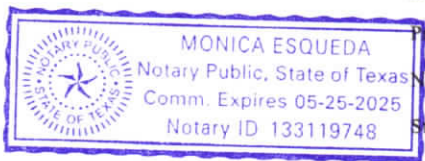
PIRATES COVE TOWNHOME COUNCIL II

By: *Mike Purcell*
Name: MIKE PURCELL
Title: PRESIDENT PCTH II

STATE OF TEXAS §
COUNTY OF HARRIS §

This instrument was acknowledged before me on April 21, 2023 by
MIKE PURCELL, PRESIDENT of Pirates Cove
Townhome Council II, a Texas non-profit corporation, on behalf of said corporation.

Monica Esqueda
Printed Name: Monica Esqueda



Notary Public
State of Texas
My Commission Expires: 5/25/2025

Return to:
Pirates Cove Townhome Council II
PO Box 1159
Matthews, NC 28106-1159

Document Information

Instrument #: 9001486

Date Received: 01/16/1990 10:50:00 AM

Index Status: V

Book Type: OPR

Book:

Page:

Document Type: DECLARATION

Remarks:

Grantors

PIRATES COVE TOWNHOMES II

Grantees

Legal Information

1 SEE INSTRUMENT

Related Documents

1	2007011402	0	NONE	0	0	DEED
2	2007019284	0	NONE	0	0	DEED

Returnee Information

006-80-0018

DECLARATION OF CO-OWNERSHIP
FOR
PIRATES' COVE TOWNHOMES II

*Co. Clerk's File No
9001486*

THE STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

KNOW ALL MEN BY THESE PRESENTS:

This Declaration of Co-Ownership for Pirates' Cove Townhomes II, is made and executed on this 10th day of JANUARY, 1990, by Mitchell/Southwest a Delaware corporation whose principal place of business is 2201 Timberloch Place, The Woodlands, Texas 77380.

W I T N E S S E T H

Whereas, Declarant is the owner of the following described real property together with all buildings, structures and improvements thereon and all appurtenances thereto situated in County of Galveston, State of Texas and being known as Pirates' Cove Townhomes II, to wit:

Lots 1, 2, 3, 4, 7, 9, 11, 19, 20, 21, 22, 24, 26, 28, 29, 30, 31, 32, 33, 34, 35, 36 and 37 according to the map or plat thereof entitled Lake Como Townhouses at Pirates' Beach recorded in Plat Record 17, Map Number 111 of the Plat Records of Galveston County, Texas.

Whereas, Declarant desires to submit the above-described lots, together with all buildings, structures and improvements and all rights and privileges belonging or in any wise pertaining thereto, to a Timeshare Regime pursuant to Texas Property Code, §221. et. seq. (Vernon Supp. 1989).

Now, Therefore, Declarant, as the owner of the real property hereinabove described for itself, its successors, grantees and assigns, does hereby submit the property to a Timeshare Regime and does hereby declare that the property shall be held, sold, conveyed, encumbered, rented, occupied and used subject to the covenants, conditions, reservations, restrictions and limitations contained herein or incorporated herein by reference. All such covenants, conditions, reservations, restrictions, and limitations shall run with the land and be binding upon and inure to the benefit of Declarant, all Owners, and any other persons or entities having or acquiring any right, title, or interest therein. Declarant may, in its sole and absolute discretion, submit additional lots hereto in the manner set forth herein in Article

EXHIBIT A |

VII herein, and may delete Lots from this Timeshare Regime by compliance with the provision of Article VIII herein.

In consideration of receiving and by acceptance of a warranty deed or of any other instrument of transfer, whether from Declarant, its successors or assigns, or from any Owner, each Owner for himself, his heirs, legal representatives, successors, assigns, or any other person or persons holding or occupying by, through, or under such Owner, and whether or not expressly stated therein, covenants, consents, and agrees to be bound by, observe, comply with, and perform the covenants, conditions, reservations, restrictions and limitations contained in this Declaration and in the Articles of Incorporation and Bylaws of Pirates' Cove Townhome Council II, as each of the aforesaid documents may lawfully be amended and/or supplemented from time to time.

ARTICLE I
DEFINITIONS

The terms used in this Declaration as well as the Bylaws of Pirates' Cove Townhome Council II and all amendments and supplements thereof, shall have the meaning stated in the Act and as follows unless the context otherwise requires or otherwise expressly provides:

1.1. Act shall mean Texas Timeshare Act, Texas Property Code, §221 et. seq. (Vernon Supp. 1989) as amended from time to time.

1.2. Administered Property shall mean Common Furnishing and Units, excluding the exterior thereof which is to be maintained by the Association pursuant to the Restrictions.

1.3. Articles of Incorporation shall mean the Articles of Incorporation of the Council II.

1.4. Association shall mean the Pirates' Cove Townhome Association, a Texas non-profit corporation.

1.5. Board or Board of Directors shall mean the Board of Directors of the Council II.

1.6. Bylaws shall mean the bylaws of the Council II.

1.7. Common Expenses shall mean and include all expenses incurred by the Council II or its duly authorized agent(s) for the maintenance, repair, replacement, restoration, improvement, operation and administration of the Property, Common Furnishings and the operation and administration of the Council II and shall

include, but not be limited to, the Common Expenses described in Section 12.1 herein.

1.8. Common Furnishings shall mean all furniture, furnishings, fixtures and equipment or other personal property from time to time owned in common by all Owners as set forth on Exhibit C attached hereto including replacements.

1.9. Co-Ownership Estates shall mean an undivided one-eighth (1/8) fee simple ownership interest in a Lot and the right to use that estate and the amenities and appurtenances thereto for a specified Use Period.

1.10. Council II shall mean Pirates' Cove Townhome Council II, a Texas non-profit corporation.

1.11. Declarant shall mean Mitchell/Southwest, its successors and assigns, provided such successor or assignee is designated in writing by Declarant as a successor or assignee of the rights of Declarant set forth herein.

1.12. Declaration shall mean this instrument, by which the Timeshare Property is submitted to the provisions of the Act, as hereinafter provided, and including all amendments and Supplemental Declarations which may from time to time be executed and filed of record.

1.13. Director shall mean any person appointed or elected to the Board of Directors.

1.14. Exchange User shall mean any person who occupies a Unit pursuant to a reciprocal exchange program.

1.15. Galveston Country Club or Club shall mean the private club located in Galveston County, Texas, adjacent to the Property.

1.16. Lot shall mean each individual lot made a part of this Timeshare Regime pursuant to Section 2.1.

1.17. Lots shall mean collectively all lots made a part of this Timeshare Regime.

1.18. Maintenance Period(s) shall mean that period designated and shown on the chart of Use Periods on Exhibit E as the time during which maintenance for a particular Unit is performed.

1.19. Management Agreement shall mean the then-effective agreement between Council II and the Manager which provides for the management of the Property.

1.20. Manager shall mean the person or entity, its successors and assigns, engaged by the Council II to undertake the

duties, responsibilities and obligations of managing the Property, pursuant to the then-effective Management Agreement.

1.21. Operation Fee(s) shall mean any amount which, from time to time, is levied by the Board of Directors of the Council II upon the Owners. The following are the two (2) types of Operation Fees:

(a) Monthly Operation Fee shall mean a fee levied by the Board upon the Owners for their proportionate share of the Common Expenses of the Council II; and

(b) Special Operation Fee shall mean a fee levied by the Board upon the Owners in the event that the Monthly Operation Fee is inadequate to meet the Common Expenses of the Council II, or other extraordinary or unbudgeted items deemed reasonably necessary by the Board.

1.22. Owner shall mean or refer to the record Owner of any Co-Ownership Estate which is part of this Timeshare Regime, excluding those having such interest merely as security for performance of any obligation. Declarant shall be deemed an Owner for all purposes hereunder unless otherwise indicated.

1.23. Personal Charge(s) shall mean an amount levied by the Board against a particular Owner or Owners as set forth in Section 12.4.

1.24. Plat shall mean the map or plat entitled Lake Como Townhouses at Pirates Beach recorded in Plat Record 17, Map Number 111 of the Plat Records of Galveston County, Texas.

1.25. Property shall mean all Lots, Units and other permanent fixtures of whatsoever kind thereon, and all rights and privileges belonging or in any wise pertaining thereto.

1.26. Restrictions shall mean that certain Declaration of Covenants, Conditions and Restrictions recorded under County Clerk's File Number 0406238 in the Real Property Records of Galveston County, Texas, and any amendments thereto.

1.27. Rules and Regulations shall mean the Rules and Regulations adopted from time to time by the Manager and approved by the Board of Directors.

1.28. Subsidy Agreement shall mean an agreement entered into between Declarant and the Council II which shall be substantially the same as the agreement attached hereto as Exhibit D.

1.29. Supplemental Declaration shall mean an instrument recorded by the Declarant when adding additional Lots to this Timeshare Regime or deleting Lots previously submitted to this

Timeshare Regime in the manner set forth in Articles VII and VIII herein.

1.30. Timeshare Regime shall mean all Property submitted to a timeshare regime pursuant to the provisions of the Act and of this Declaration.

1.31. Unit(s) shall mean the residential building constructed on each Lot and shall include garage, storage area, balcony and/or patio. Each Unit will be identified by the number of the Lot on which it is constructed.

1.32. Unit Type shall mean collectively all of the following unit configurations:

(a) Unit Type A shall mean the units constructed on Lots 7 and 9 as shown on Exhibit B-1.

(b) Unit Type B shall mean the units constructed on Lots 11, 19, 20, 21 and 22 as shown on Exhibit B-2.

(c) Unit Type C shall mean the units constructed on Lots 1, 2, 3, 4, 24 and 26 as shown on Exhibit B-3.

(d) Unit Type D shall mean the units constructed on Lots 28, 29, 30, 31, 32, 33, 34, 35, 36 and 37 as shown on Exhibit B-4.

1.33. Use Period shall mean that specific period of consecutive days during which an Owner is allowed to occupy the Lot as set forth in Exhibit E.

ARTICLE II
DESCRIPTION OF PROPERTY

2.1. The Property initially consists of Lots 1, 2, 3, 4, 7, 9, 11, 19, 20, 21, 22, 24, 26, 28, 29, 30, 31, 32, 33, 34, 35, 36 and 37 as shown on the Plat together with all improvements located thereon. There shall be excluded from the Property any Lot deannexed from the Timeshare Regime pursuant to Article VIII herein, and there shall be included in the Property any Lot annexed to the Timeshare Regime pursuant to Article VII herein.

2.2. A ground plan indicating the location of each existing building is attached hereto as Exhibit A.

ARTICLE III
DESCRIPTION OF UNITS

3.1. Units 7 and 9 each consists of 1 bedroom, 1 bath, comprises approximately 802 square feet of interior space as more fully shown on Exhibit B-1 attached hereto and incorporated herein.

3.2. Units 11, 19, 20, 21 and 22 each consists of 2 bedrooms, 1 bath, comprises approximately 970 square feet of interior space as more fully shown on Exhibit B-2 attached hereto and incorporated herein.

3.3. Units 1, 2, 3, 4, 24 and 26 each consists of 2 bedrooms, 1½ baths, comprises approximately 1161 square feet of interior space as more fully shown on Exhibit B-3 attached hereto and incorporated herein.

3.4. Units 28, 29, 30, 31, 32, 33, 34, 35, 36 and 37 each consists of 2 bedrooms, 1½ baths, comprises approximately 1174 square feet of interior space as more fully shown on Exhibit B-4 attached hereto and incorporated herein.

ARTICLE IV
DESCRIPTIONS OF AMENITIES

4.1. There are no on-site amenities as of the date of this Declaration.

4.2. Pursuant to the Restrictions each Owner will be required to make application for membership and if accepted maintain a social membership in the Galveston Country Club which is adjacent to the Property and includes dining facilities, swimming pool and tennis courts. Galveston Country Club dues for a social membership will be paid as a part of the Operation Fee. Golf is also available to social members for an additional fee. **DECLARANT DOES NOT OWN THE CLUB AND CANNOT ASSURE ITS CONTINUED AVAILABILITY.**

4.3. A public marina is adjacent to the Property and may be used by Owners for a fee. Since the marina is open to use by the general public, their use of the facility may limit use of it by Owners.

ARTICLE V
PERCENTAGE INTEREST IN TIMESHARE REGIME

5.1. The Declarant proposes to convey eight (8) undivided fee simple interests in each Lot together with the exclusive right to occupy said Lot for a specific Use Period.

5.2. Each Co-Ownership Estate represents 12.5% or 1/8 of each Lot and .543% or 1/184 of the entire Timeshare Regime.

5.3. In the event additional Lots are annexed to the Timeshare Regime or deannexed from the Timeshare Regime, as the case may be, pursuant to Articles VII and VIII herein, the percentage part that each Co-Ownership Estate bears to the entire Timeshare Regime shall be reallocated, and Section 5.2 above shall be amended to reflect said reallocation.

ARTICLE VI
PERCENTAGE OF INTEREST IN COMMON FURNISHINGS

6.1. Each Owner of a Co-Ownership Estate shall have an undivided percentage interest in the Common Furnishings as set forth in Exhibit C attached hereto and incorporated herein by reference. Each Owner shall have the exclusive right to use the Common Furnishings in his Unit during his Use Period. Declarant is obligated to furnish each Unit prior to the sale of the first Co-Ownership Estate in that Unit.

6.2. An Owner's percentage interest in the Common Furnishings appurtenant to a particular Unit Type will change in the event Lots are annexed or deannexed from the Declaration. If Lots are annexed or deannexed, the interest in the Common Furnishings shall be reallocated to the remaining Owners in the same manner as the allocation of interests were originally calculated, and the Supplemental Declaration shall amend Exhibit C to state the new percentage of interest each Owner will have in the Common Furnishings. Upon deannexation of a Lot, Owners shall relinquish all right, title and interest in and to the Common Furnishings located within the Unit located on said Lot.

6.3. In the event of any damage or destruction to the Common Furnishings other than by ordinary wear and tear, the Board shall promptly cause such damage to be repaired and shall use any available insurance proceeds for such purpose. If the damage is not covered by insurance, or if the available insurance proceeds are insufficient, the Board shall levy a Special Operation Fee upon each of the Owners. In the event the damage or destruction was caused by the intentional or negligent act or omission of an Owner,

a member of his family, his guests, tenants, invitees, or licensees, then the cost of such repair or the amount of such deficiency shall be a Personal Charge to such Owner, to be paid in the manner provided herein.

ARTICLE VII
ANNEXATION

7.1. Declarant may in its sole and absolute discretion, annex additional lot(s) to the Timeshare Regime at any time or from time to time by filing a Supplemental Declaration in the County Clerk's Office of Galveston County, Texas.

7.2. Said Supplemental Declaration shall contain the following:

(a) A statement that the property is being added or annexed in accordance with the provisions of this Declaration and that the property being annexed shall be developed, held, used, sold and conveyed in accordance with and subject to the provisions of this Declaration;

(b) A statement that all of the provisions of this Declaration shall apply to the property being added or annexed with the same force and effect as if said lot were originally included herein as part of the original development;

(c) A statement that the property being added or annexed is submitted to the jurisdiction of the Council II with the same force and effect as if said property were originally included in this Declaration;

(d) An amendment to Article V changing the percentage part each Co-Ownership Estate bears to the entire Timeshare Regime;

(e) An amendment to Exhibit C reallocating the percentage interest each Owner has in the Common Furnishings; and

(f) An amendment to Section 1.32 and Section 3.1, 3.2, 3.3 or 3.4 as applicable.

7.3. Nothing in this Declaration shall be construed to represent or imply that Declarant, its successors or assigns, are under any obligation to add or annex additional property to this Timeshare Regime.

7.4. No property may be added or annexed to this Timeshare Regime by any person or entity other than the Declarant.

ARTICLE VIII
DEANNEXATION

8.1. Any Lot subject to this Timeshare Regime and owned entirely by Declarant may be deannexed from the Timeshare Regime, provided Declarant shall execute a Supplemental Declaration setting forth the Lot number. Said Supplemental Declaration shall be filed in the County Clerk's Office, Galveston County, Texas.

8.2. Said Supplemental Declaration shall contain the following:

(a) A statement that the Lot is being deleted or deannexed in accordance with the provisions of this Declaration;

(b) An amendment to Article V changing the percentage part each Co-Ownership Estate bears to the entire Timeshare Regime;

(c) An amendment to Exhibit C reallocating the percentage interest each Owner has in the Common Furnishings; and

(d) An amendment to Section 1.32 and Section 3.1, 3.2, 3.3 or 3.4 as applicable.

8.3. Any attempted deannexation from this Timeshare Regime other than by Declarant shall be null and void.

ARTICLE IX
PIRATES' COVE TOWNHOME COUNCIL II

9.1. Declarant shall cause to be created a non-profit corporation under the Texas Non-Profit Corporation Act which shall be known as Pirates' Cove Townhome Council II, for the purpose of administering the operation and maintenance of the Lots and providing the other functions herein delegated to the Council II.

9.2. Each Owner shall be a member of the Council II. An Owner's membership shall automatically terminate when he ceases to be an Owner as herein defined. Upon conveyance or transfer of an Owner's interest to a new owner the new owner shall simultaneously succeed to the former Owner's membership in the Council II.

9.3. Each Owner shall be entitled to one vote per Co-Ownership Estate. If any Co-Ownership Estate is owned by more than one person, the voting rights of such Owners shall not be divided but shall be exercised as if the Owner consisted of only one

person. The Board has the right to suspend an Owner's right to vote upon violation of the Bylaws, Rules and Regulations or with any obligation of Owners hereunder, including but not limited to failure to pay Operation Fees.

9.4. The Board of Directors of the Council II shall be appointed or elected in accordance with the provisions of the Bylaws.

9.5. The Council II may exercise any and all rights and powers granted to it by law, by its Articles of Incorporation, its Bylaws or this Declaration as amended or supplemented.

ARTICLE X
MANAGEMENT, MAINTENANCE AND REPAIRS

10.1. Responsibility for the maintenance and repair of the Lots and the exterior of the Units located thereon as well as the Common Areas, as defined in the Restrictions, is vested in the Association pursuant to the provisions of the Restrictions.

10.2. Exclusive control and responsibility over the maintenance, repair, modification, replacement, restoration, alteration, operation and administration of all the Administered Property is vested in the Council II. No Owner shall make any repairs, modifications, alterations, additions, redecorations, or replacements to any of the Administered Property without the prior written consent of the Council II. Each Owner, during his Use Period shall keep his Lot and Unit in a clean, sanitary and attractive condition, and shall be personally liable for any damage or destruction thereto caused by such Owner, the members of his family, his guests, tenants, invitees or licensees. The Council II shall at all times maintain and keep the Administered Property in good condition and repair. The Council II shall have complete discretion to determine the interior color scheme, the decor and the furnishings of each Unit, as well as the timing, extent and nature of all redecorations, repairs and replacements thereof.

10.3. The Council II, acting through the Manager or such other person or persons as they shall designate, shall have an irrevocable right of access to each Unit, without liability for trespass, during reasonable hours, as may be necessary to perform and carry out their respective rights, duties and responsibilities as set forth herein, in the Bylaws, in the Rules and Regulations and in the Management Agreement, including but not limited to:

- (a) Making emergency repairs therein;
- (b) Abating any nuisance or any dangerous, unauthorized, prohibited or unlawful activity in such Unit;

(c) Protecting the property rights and general welfare of the Owners; and

(d) Any other purpose reasonably related to the Council II and/or the Manager of their respective duties and responsibilities under this Declaration and the Bylaws.

Such right and authority to enter any Unit shall be exercised in such manner as to avoid any unreasonable or unnecessary interference with the possession, use and/or enjoyment of any Unit by any occupant thereof, and shall be preceded by reasonable notice to the occupant whenever the circumstances permit. No Owner may at any time change a lock on the entrance to any Unit. If an Owner changes any such lock, the Council II may replace such lock and assess the cost thereof as a Personal Charge to the responsible Owner.

10.4. The Council II shall reserve a period each year as the Maintenance Period for such Unit. The Council II and its agents shall have free access to each Unit during its designated Maintenance Period for the purpose of effecting any necessary or appropriate maintenance, repairs, modifications, alterations, replacements and additions to such Unit and to the Common Furnishings therein.

ARTICLE XI
USE RIGHTS AND RESTRICTIONS

11.1. Each Owner shall be designated as Owner A, B, C, D, E, F, G or H in the deed conveying a one-eighth interest in a Lot, and shall have the exclusive right to occupy and use said Lot, to use and enjoy the Common Furnishings and to exercise the rights appurtenant thereto and to authorize others so to do (including placing the Lot in a vacation exchange program) during the Use Period specified in Exhibit E attached hereto and incorporated herein.

11.2. No Owner shall occupy the Unit, or exercise any other rights of ownership in respect to the Lot during any other Owner's Use Period unless expressly so authorized by the Owner entitled to occupy the Lot during that Use Period.

11.3. Each Owner shall keep the Lot and all Common Furnishings in good condition and repair during his Use Period, vacate the Lot at expiration of his Use Period in accordance with Section 11.1 above, remove all persons and personal property excluding Common Furnishings therefrom, leave the Lot in good and sanitary condition and repair and otherwise comply with such reasonable checkin and

checkout and other procedures as may from time to time be contained in the then-current Rules and Regulations.

11.4. Each Owner or Exchange User shall be liable for the uninsured cost and expense of any maintenance, repair, or replacement of the Units, of Common Furnishings, necessitated by his negligence or intentional act or omission. The negligent or intentional act or omission of an Owner's family members, guests, tenants, licensees or invitees (excluding Exchange Users) shall be deemed to be the act of the Owner, and such persons shall be held jointly and severally liable with such Owner. The Manager shall submit a bill to the responsible Owner or Exchange User for all amounts payable to the Council II under this Section, which amounts shall be enforceable as a claim for money damages against an Exchange User and shall constitute a Personal Charge to an Owner secured by a lien against the Owner's Co-Ownership Estate. Any loss, damage or destruction to the extent not covered by insurance or recovered shall become a Common Expense.

11.5. No Owner shall cause or permit any unlawful, improper, or offensive use of any Lot or Common Furnishing, nor shall any Owner permit any portion of the Lot to be used in any manner contrary to or not in accordance with the provisions of the Restrictions or this Declaration. Furthermore, no Owner shall cause or permit anything to be done or kept in a Unit which will increase the rate of any of the Council II's insurance coverage, or which will obstruct or interfere with the rights of the Owners or annoy them by unreasonable noises or otherwise, nor shall any Owner commit or permit any nuisance, objectionable or disruptive behavior or illegal acts in or about the Lot.

11.6. If any Owner fails to vacate the Unit at the conclusion of Use Period in accordance with the terms hereof, or any other rules or regulations as may be adopted by the Council II, or otherwise uses or occupies the Unit during a Use Period assigned to another Owner, or prevents another Owner from using or occupying the Unit during such Owner's Use Period, the Owner in wrongful possession shall: (a) be subject to immediate removal, eviction and ejection from the Unit wrongfully occupied; (b) be deemed to have waived any notices required by law with respect to any legal proceedings regarding the removal, eviction or ejection of such Owner in wrongful possession, to the extent that such notice may be waived under law; (c) pay to the Owner entitled to use the Unit during such wrongful occupancy, as liquidated damages for the wrongful use of the Unit and the appropriation of such other Owner's use, a sum equal to two hundred percent (200%) of the fair rental value per day of the Unit that is wrongfully occupied for each day or portion thereof, including the day of surrender, during which the Owner in wrongful possession occupies the Unit; (d) reimburse the Owner entitled to use the Unit during the wrongful occupancy of the Unit, for all costs and expenses, including but not limited to, court costs and reasonable attorneys' fees,

incurred in connection with the ruling, evicting or ejecting of the Owner in wrongful possession of the Unit; and (e) until all aforementioned sums are paid, the Owner in wrongful possession shall be denied the use of his Lot.

11.7. Declarant, for itself and its successors, assigns, agents, employees, contractors, subcontractors and other authorized personnel, reserves an exclusive easement in, over and through the Lots and the common areas for the purposes of: (a) marketing and selling the Lots; (b) maintaining customer relations and providing post-sales service to Owners; (c) displaying signs and erecting, maintaining and operating, for sales and administrative purposes, model Units and a customer relations, customer service and sales office complex on the Property; and (d) showing the Units and common area to prospective purchasers; provided, however, that use of such easement shall not interfere with or diminish the rights of Owners to use and occupy the premises in accordance with this Declaration.

ARTICLE XII
OPERATION FEE AND PERSONAL CHARGES

12.1. Each Owner, including Declarant subject to the provision of Section 12.3 below, shall be required to pay an Operation Fee for each Co-Ownership Estate owned. The Monthly Operation Fee shall be levied by the Council II, through the Board of Directors, to meet Common Expenses; provided however, until three (3) years following the date of this Declaration, the Board shall not adopt a budget requiring an increase in the Monthly Operation Fee in an amount exceeding the percentage increase in the Houston, Texas Consumer Price Index for all Urban consumers (as defined by the U.S. Department of Labor, Bureau of Labor Statistics) for the previous year unless such budget is approved by a majority of the Owners. The liability for payment of the Common Expenses will be apportioned among Owners according to the Unit Type owned as set forth on Exhibit C attached hereto and incorporated herein by reference. The total expenses applicable to a Unit Type will be set forth in the annual budget which is approved by the Board of Directors. The Common Expenses shall include, but shall not be limited to, the costs of the following items:

(a) Taxes and any other fees or assessments levied against the Council II by a governmental authority;

(b) The maintenance, repair, modification, alteration and redecoration of the Units;

(c) The maintenance, repair, modification, alteration, and redecoration of the Common Furnishings;

- (d) Utility charges;
- (e) Basic telephone service;
- (f) Cable television service;
- (g) Insurance coverage, as provided for herein;
- (h) Domestic services, including cleaning and maid service, the frequency of which is to be determined by the Board or the Manager, furnished to or on behalf of the Owners;
- (i) The purchase, repair and replacement of any furniture, fixtures and equipment which may be owned or leased by the Council II;
- (j) Galveston Country Club dues for social membership;
- (k) Assessments owed to the Association pursuant to the Restrictions;
- (l) Administrative costs;
- (m) Reserves for the replacement, repair and acquisition of Common Furnishings;
- (n) Management fees;
- (o) Legal and accounting fees; and
- (p) Any other costs incurred by the Council II in connection with the maintenance, repair, replacement, restoration, redecoration, improvement, operation and administration of the Property, and in connection with the operation and administration of the Council II.

The Monthly Operation Fee shall be due and payable by an Owner on or before the 1st day of each month unless and until the Board of Directors at its sole discretion institutes a different payment schedule by providing written notice thereof to each Owner.

12.2. In the event that the Monthly Operation Fee collected from the Owners are at any time inadequate to meet the costs and expenses incurred by or imposed upon the Council II for any reason, including but not limited to (i) the non-payment by any Owner of any Operation Fee or Personal Charge, (ii) a judgment has been filed against the Council II, or (iii) there are other extraordinary or unbudgeted items deemed reasonably necessary by the Board, the Board shall immediately determine the approximate amount of such inadequacy, prepare a supplemental budget and levy a Special Operation Fee upon each Owner in such amounts as the

Board determines to be necessary in order to pay the Council II's costs and expenses. Such Special Operation Fee shall be allocated to the Owners according to the Unit Type and percentage interest owned as set forth on Exhibit C. Any Special Operation Fee shall be due and payable within thirty (30) days after the date upon which a written notice of such Special Operation Fee is mailed to the Owner, unless the Board determines that installment payments shall be permitted and provides each Owner with an approved payment schedule, in which case each Owner's payments must be made no later than is specified in such payment schedule. In the event that the Board authorizes the payment of any Special Operation Fee in installments, no notice of the due date of each individual installment payment shall be required to be given, other than the aforesaid Special Operation Fee notice.

12.3. Notwithstanding any provision to the contrary contained herein, Declarant shall not be required to pay to the Council II any Operation Fee attributable to any Co-Ownership Estate of which it is deemed the Owner during any period of time in which Declarant has entered into and is not in breach of a Subsidy Agreement with the Council II in a form substantially the same as the Subsidy Agreement attached hereto as Exhibit D.

12.4. Each Owner shall be responsible for paying to the Council II all Personal Charges which are any expenses incurred as a result of the act or omission to act of that Owner during his Use Period or at any other time or of any other persons occupying such Owner's Unit during his Use Period (except an Exchange User), including but not limited to the cost of:

- (a) Long distance telephone charges;
- (b) Additional cleaning and maid services as reasonably may be requested by an Owner;
- (c) Any expenses arising from an intentional or negligent act or omission of an Owner, a member of his family, his guests, tenants, invitees or licensees (to the extent not covered by insurance) or resulting from his or their breach of any of the provisions of this Declaration; and
- (d) Any reasonable late fees, attorneys' fees and other amounts which are incurred by the Council II to collect any Operation Fees or Personal Charges.

Personal Charges from an Owner shall be due and payable within thirty (30) days from the date upon which a notice of such Personal Charges is mailed to the responsible Owner.

12.5. No Owner may exempt himself, his successors or assigns, from his obligation to pay any Operation Fee by his waiver of the use and enjoyment of his Lot or of the Common Furnishings, by his

failure to occupy the Unit during his assigned Use Period or by the abandonment of his Co-Ownership Estate.

12.6. In the event that the Board determines at any time during the Council II's fiscal year that the aggregate amount of Operation Fees is, or will be, in excess of the amounts needed to meet the Common Expenses such excess amount shall appear as a line item on the Council II's budget for the immediately succeeding fiscal year, and shall be applied to reduce the amount assessed to meet the Common Expenses, as appropriate, for such fiscal year. Any such excess shall not relieve any Owner from his obligation to pay any delinquent amounts which he owes the Council II, nor shall any Owner be entitled to a refund of all or any portion of any Operation Fee previously paid on account of such excess.

12.7. Notwithstanding the foregoing provisions of this Declaration, the Board shall from time to time establish one or more reserves as are necessary for the operation and improvement of the Timeshare Regime by including amounts intended for such purpose in the Council II's budget or by levying Special Operation Fees upon all of the Owners in such amount as the Board determines to be necessary and appropriate.

12.8. All Operation Fees or Personal Charges which are not paid when due shall be delinquent, shall be increased by a reasonable late charge as imposed by the Board, and shall bear interest from the date of delinquency at the highest rate allowable by law.

ARTICLE XIII
REMEDIES FOR NON-PAYMENT OF OPERATION FEES

13.1. Each such Operation Fee, Personal Charge and any late fees, interest and costs of collection, including reasonable attorneys' fees, shall be a personal debt of the Owner against whom they are assessed. All such foregoing Operation Fees, Personal Charges and other related sums owed or incurred by Owner shall also be a charge on the land and shall be secured by a continuing lien on the Owner's interest in a Lot and his Co-Ownership Estate which lien shall be superior to all other liens and security interests except only for mortgages granted to secure purchase price by such Owner against his Co-Ownership Estate.

13.2. Such lien shall be in favor of the Council II for the benefit of all Owners and may be enforced by the Council II by all methods available for enforcement of such liens including foreclosure of such lien by an action brought in the name of the Council II in a like manner as a mortgage or deed of trust lien on real property and such Owner hereby expressly grants to the Council II a power of sale in connection with said lien, same to be

exercised in compliance with the terms of Article 3810 of the Texas Civil Statutes. In any such lien foreclosure, the Owner shall be required to pay to the Council II its costs and expenses incurred by such foreclosure, including without limitation its attorney's fees. The Council II, acting on behalf of the Owners, shall have the power to bid the interest of Owner at the foreclosure sale and to acquire and hold, lease, mortgage and convey the same. Notwithstanding any provision hereof to the contrary, the Council II shall also have the right to recover a money judgment against such defaulting Owner without foreclosing or waiving the lien securing such debt, all remedies of the Council II being cumulative of each other.

ARTICLE XIV
INSURANCE

14.1. The Council II shall, at its sole cost and expense, keep all of the Units and the Common Furnishings, as well as any property of the Council II, insured for the benefit of all Owners and the Council II for the total amount, after application of deductibles, of the replacement value thereof against loss or damage by fire and lightning, and other perils included under a Standard Texas Fire and Extended policy form applicable for properties located in coastal areas. If such insurance includes a windstorm exclusion, the Council II, to the extent obtainable, shall obtain coverage through the Texas Catastrophe Property Insurance Association, or other association or insurance company underwriting windstorm coverage on coastal properties. All property insurance shall include a waiver of subrogation in favor of Mitchell/Southwest and the Association.

14.2. The Council II shall, at its sole cost and expense, procure and maintain, for the mutual benefit of the Council II and all Owners, a general liability insurance policy against third party claims for personal injury, death or property damage arising out of or in connection with the use, ownership or maintenance of the Units or the Common Furnishings. Such insurance shall afford protection to such limits as the Board may deem reasonable and appropriate and include in addition to Council II and Owner, Mitchell/Southwest and the Association as named insured.

14.3. If reasonably available, in the judgment of the Council II, the Council II shall procure and maintain a policy of Directors' and Officers' liability insurance in such amount as the Board may decide.

14.4. The Council II may also procure insurance against such additional risks as the Board deems advisable for the protection of the Owners and the Council II. Owners may carry other insurance for their benefit, and at their expense, provided that liability

of the carriers issuing insurance obtained by the Council II shall not be affected or diminished by reason of any such additional insurance carried by Owner.

14.5. All policies of insurance provided for in this article shall name the Council II and each of the Owners, as insured, as their respective interest may appear. The policy or policies described in Section 14.1 shall inure to the benefit of the holder of any mortgage, as the interest of any such mortgagee may appear, by standard policy or policies described in Section 14.1, shall be adjusted with the insurance company or companies by the Council II. Each such policy shall, to the extent obtainable, contain a provision that no act or omission of Declarant, the Council II, the Board, or any Owner shall void such policy or affect or limit the obligation of the insurance company to pay the amount of any loss sustained. Each such policy issued by the insurer shall, to the extent reasonable obtainable, contain an agreement by the insurer that such policy shall not be cancelled without at least thirty (30) days prior written notice to Declarant and Owner.

14.6. For so long as Declarant retains a legal or equitable interest in any Lot, the property may, at Declarant's election, be insured under such blanket insurance policies as may be available to Declarant from time to time, unless prohibited by law. The procurement of such coverage shall be deemed to constitute full compliance with the insurance requirements contained herein, provided that the coverage afforded the Council II by the blanket insurance policy includes protection against each of the perils enumerated herein, with reasonable limits. The blanket insurance policy premium shall be allocated between the Council II and Declarant.

ARTICLE XV THIRD PARTY LIENS

15.1. Any liens against an Owner's interest in a Lot shall be limited to the interest of such Owner in his Co-Ownership Estate only, and shall not entitle any lienholder to assert any claim against the interest or Co-Ownership Estate of any other Owner, the Common Furnishings or any property of the Council II.

15.2. Each Owner shall furnish written notice to the Council II of every lien upon his Co-Ownership Estate within seven (7) days after the Owner receives notice thereof.

ARTICLE XVI
PIRATES' COVE TOWNHOME ASSOCIATION

16.1. This Declaration incorporates by reference and is made subject to the terms and conditions of the Restrictions.

16.2. The Restrictions provide for an annual assessment to be set by the board of directors of the Association to be assessed against each Lot, as well as for special assessments as determined by the board of directors of the Association. Each Owner, except Declarant, shall be deemed to have assumed and agreed to pay one-eighth (1/8) of the assessment applicable to such Owner's Lot. The Board of Directors of the Council II shall include the annual and any special assessment imposed by the board of directors of the Association upon the Owners as an item in the annual budget and shall be responsible for the payment of all such assessments upon collection of the Operation Fee from the Owners.

16.3. The Restrictions provide that there shall be one vote for each Lot. Each Owner hereby irrevocably appoints the Board of Directors of the Council II as his Attorney-In-Fact in his name, place and stead for the purpose of voting his interest in the affairs of the Association.

16.4. The Association is an entirely separate organization apart from the Council II. All Owners will be members of two (2) non-profit corporations (i) the Council II and (ii) the Association.

ARTICLE XVII
AMENDMENT

17.1. This Declaration may be amended or modified by vote of three-fourths (3/4) of all of the Owners of Co-Ownership Estates provided, however, that no such amendment may affect or alter the right of any Owner to occupy his Unit during his assigned Use Period unless such Owner shall expressly so consent; provided further that notwithstanding the foregoing so long as Declarant remains the Owner of one or more Co-Ownership Estates this Declaration shall not be amended so as to adversely affect the Declarant, including but not limited to, increasing any obligation or decreasing any right of Declarant hereunder, without the Declarant's consent. Subject to the foregoing provision, any amendment shall be binding upon every Owner whether the burdens thereon are increased or decreased. It can also be amended by Declarant only, without vote of the other Owners of Co-Ownership Estates, if so required by the Texas Real Estate Commission.

17.2. Any such amendments to this Declaration shall become effective upon the recording in the County Clerk's Office, Galveston County, Texas, of any instrument executed solely by Board of Directors or Declarant as the case may be. Amendments executed by Board of Directors must set forth a list of all Owners who voted for the amendment.

ARTICLE XVIII
ENFORCEMENT PROVISION

18.1. In the event that any Owner should fail to comply with any of the provisions of this Declaration, the Declarant, the Council II and/or any Owner may bring action for damages, to enjoin the violation, or specifically enforce the provisions of this Declaration. In any such legal proceeding, the prevailing party shall be entitled to costs and reasonable attorneys' fees. All sums payable hereunder by any Owner shall bear interest at the prime rate from the date due.

18.2. The remedies set forth herein shall be cumulative and in addition to all other remedies which may be available at law or in equity; provided, however, that no breach of any provision hereof by any Owner or by Declarant or failure of any Owner to comply with any provision hereof shall permit or empower any other Owner to terminate any such provision or excuse any such breach or failure, and each Owner shall continue to perform and comply with and hold his Co-Ownership Estate subject to all of the provisions of this Declaration notwithstanding any such breach or failure.

ARTICLE XIX
MISCELLANEOUS PROVISIONS

19.1. Neither the Declaration nor any of the deeds conveying a Co-Ownership Estate shall be deemed to evidence a joint venture, partnership or any other similar arrangement, and no party shall have the right to participate in the individual profits, if any, of any other party arising out of the rental of the Unit.

19.2. The captions used in this Declaration and in any exhibits annexed thereto are inserted solely as a matter of convenience and shall not be relied upon and/or used in construing the effect or meaning of the provisions thereof.

19.3. Whenever the context so requires, the use of any gender in the Declaration shall be deemed to include both genders, and the use of the singular shall be deemed to include the plural and the plural shall include the singular.

006-80-0038

19.4. The provisions hereof shall be deemed to be independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision shall not affect the validity or enforceability of any other provision hereof.

19.5. No restriction, condition, obligation or provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

19.6. This Declaration shall be construed in accordance with the laws of the State of Texas.

IN WITNESS WHEREOF, Declarant has duly executed this Declaration this 10th day of January, 1990.

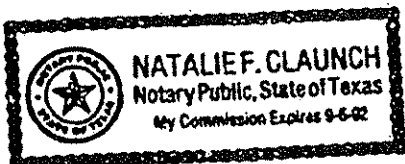
MITCHELL/SOUTHWEST

By: JLR
Name: J. L. Rogers
Title: Senior Vice President

THE STATE OF TEXAS §
MONTGOMERY §
COUNTY OF ~~WADSWORTH~~ §

This instrument was acknowledged before me this 10th day of January, 1990 by J. L. Rogers, Senior Vice President, of Mitchell/Southwest, a Delaware corporation, on behalf of said corporation.

Natalie F. Claunch
Notary Public, State of Texas



AKW/ns/BDTPCTII/01-08-90

006-80-0039

PIRATES' COVE TOWNHOMES

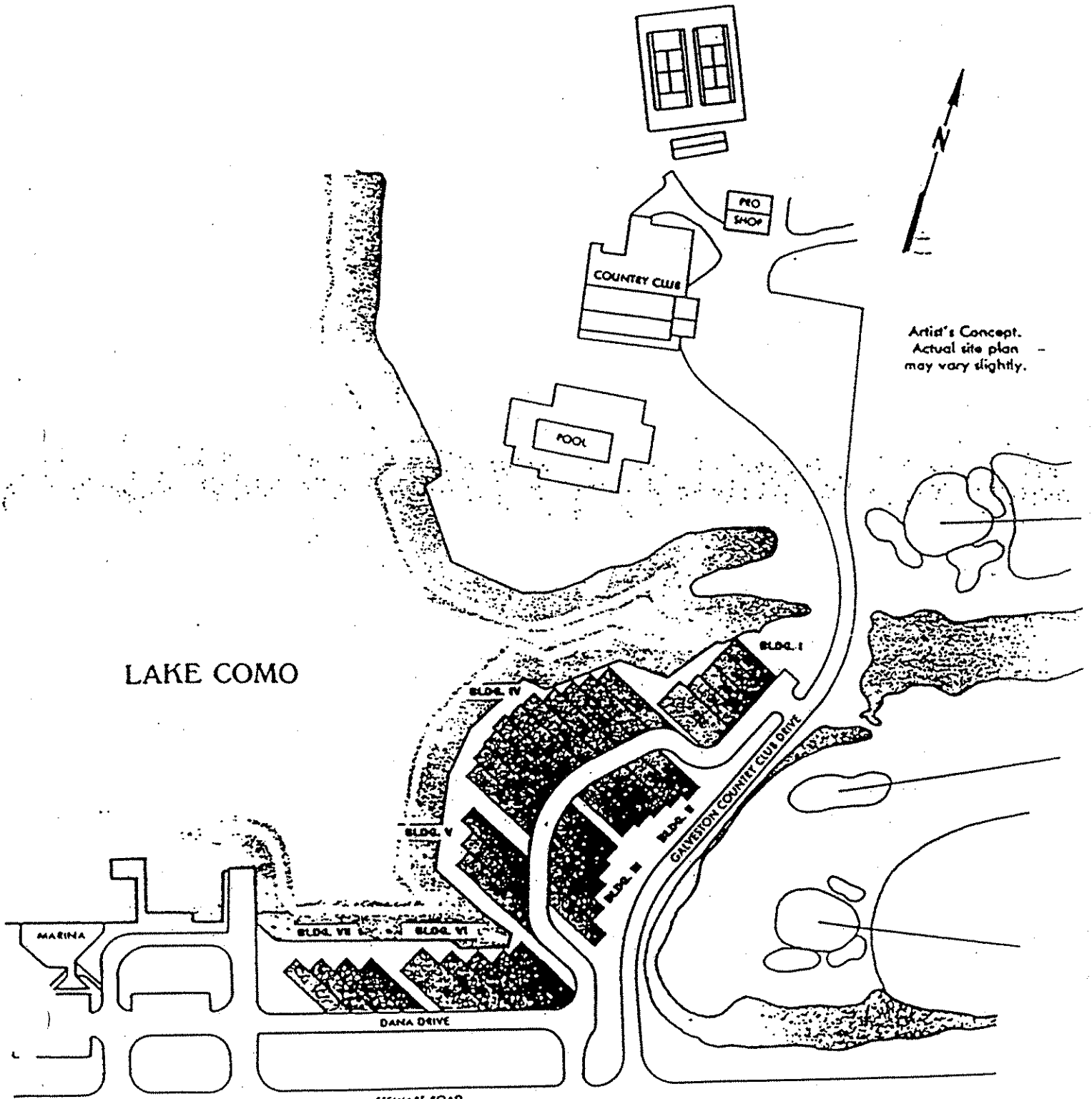
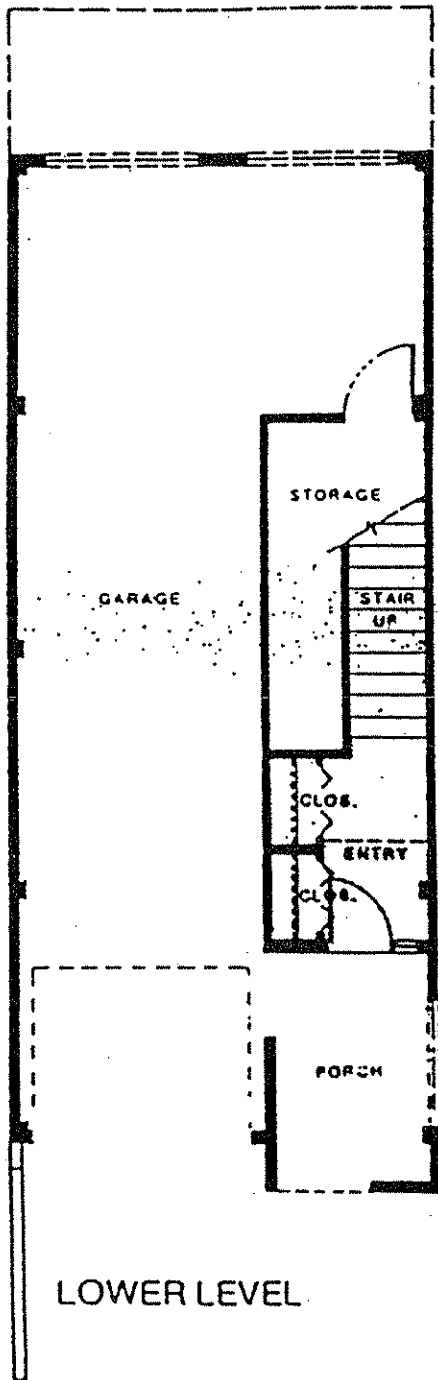


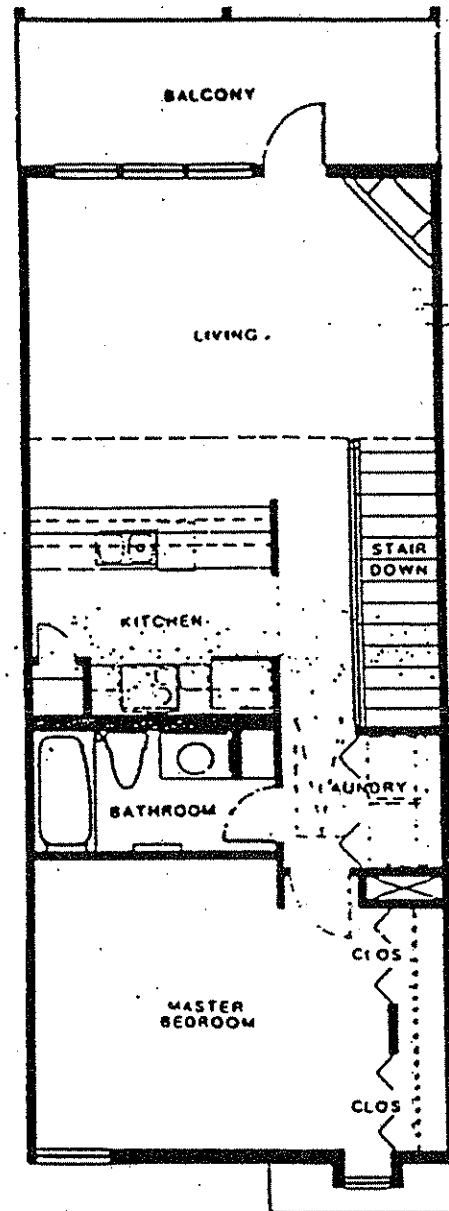
EXHIBIT A

EXHIBIT A

PIRATES' COVE TOWNHOMES



LOWER LEVEL



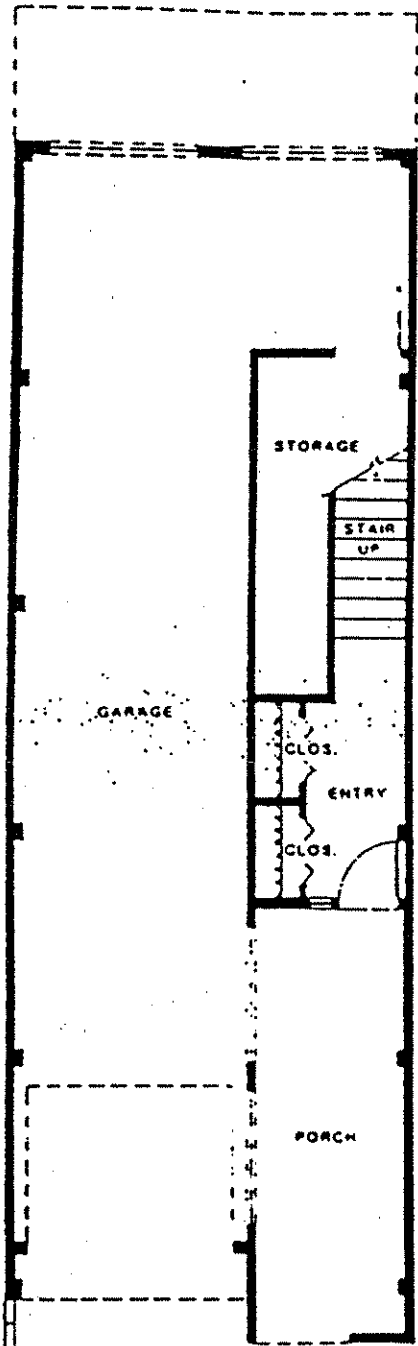
UPPER LEVEL

Unit Type A
EXHIBIT "B-1"

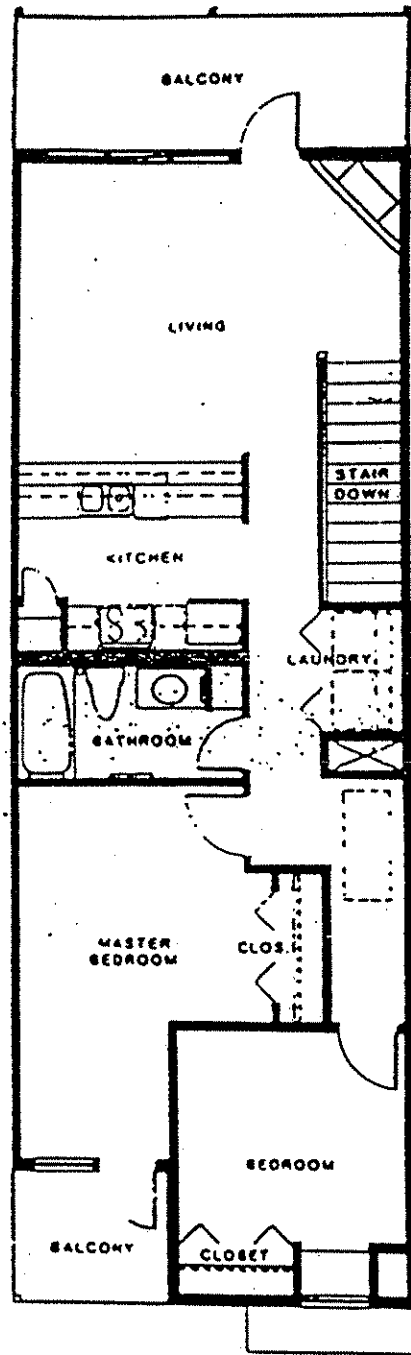
EXHIBIT A

006-80-0041

PIRATES' COVE TOWNHOMES



LOWER LEVEL



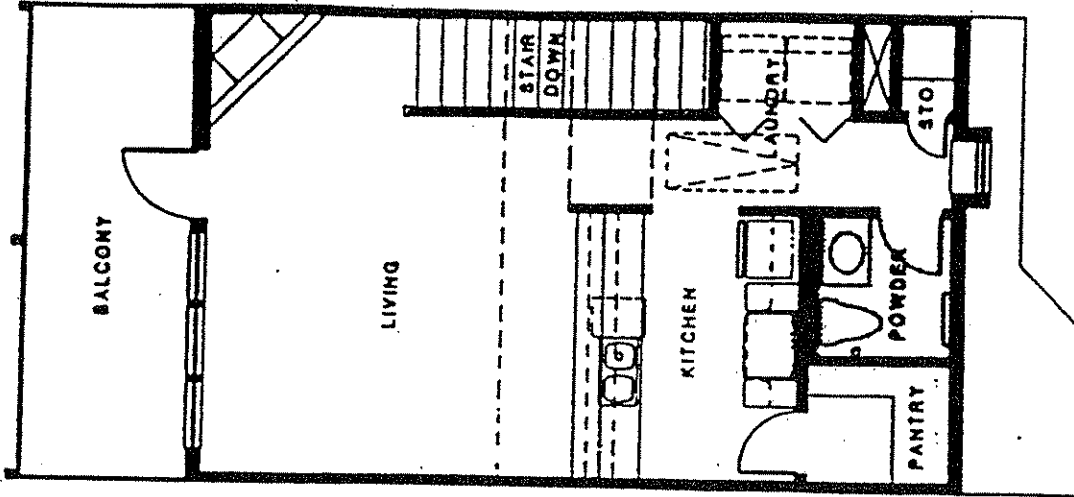
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Unit Type B
EXHIBIT "B-2"

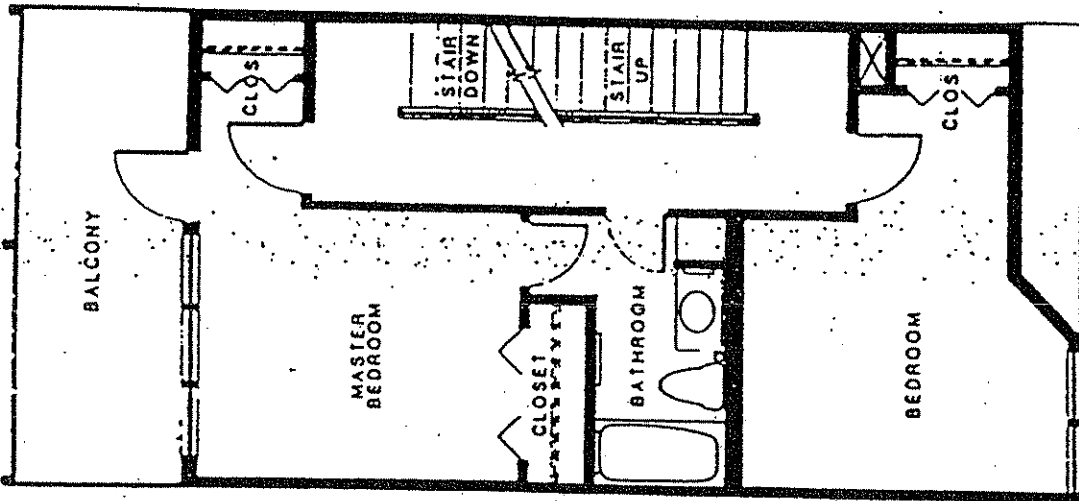
EXHIBIT A

PIRATES' COVE TOWNHOMES

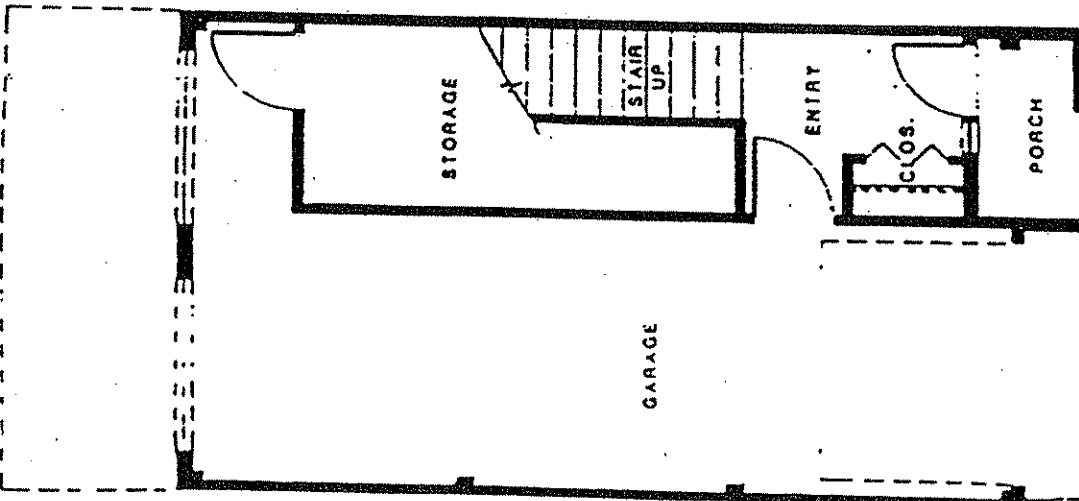
006-80-0042



UPPER LEVEL



MID LEVEL



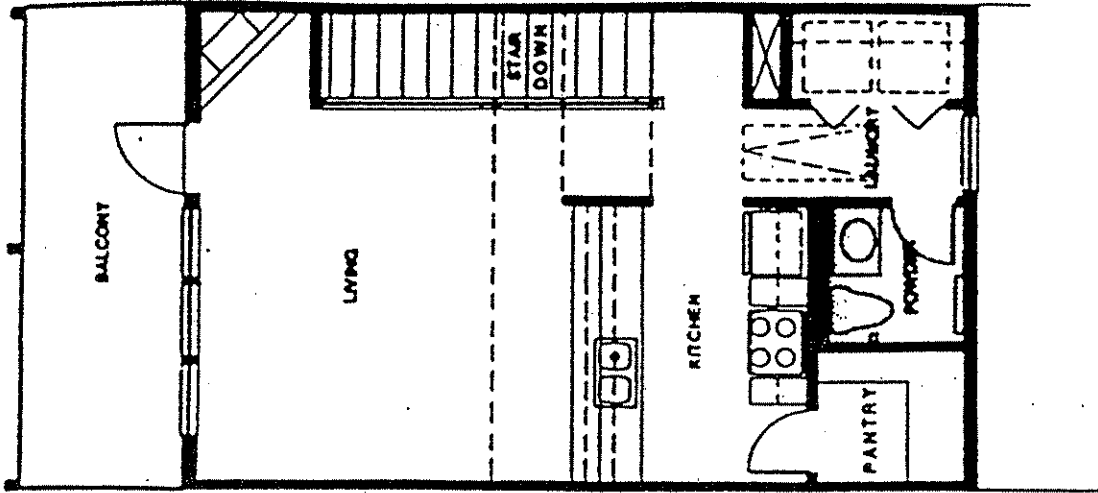
LOWER LEVEL

Unit Type C
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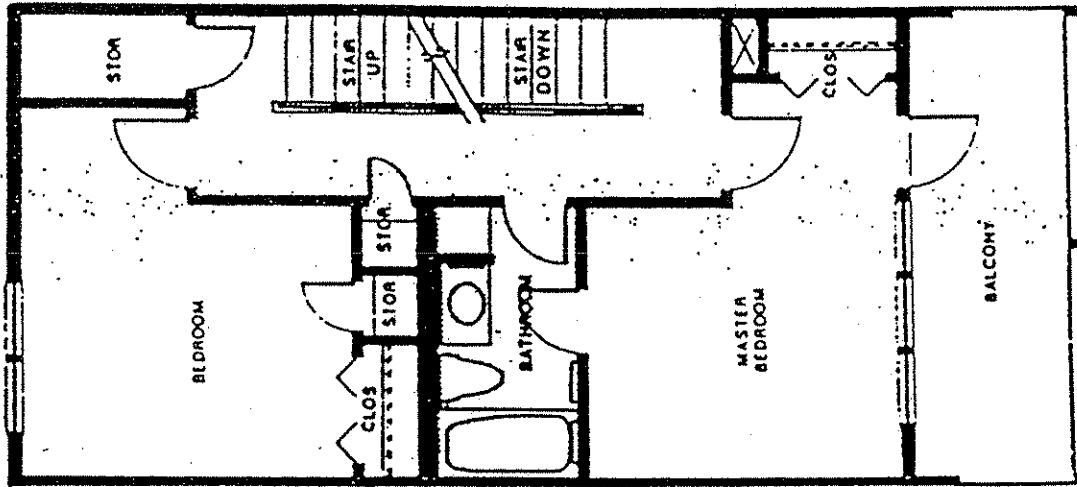
EXHIBIT A

PIRATES' COVE TOWNHOMES

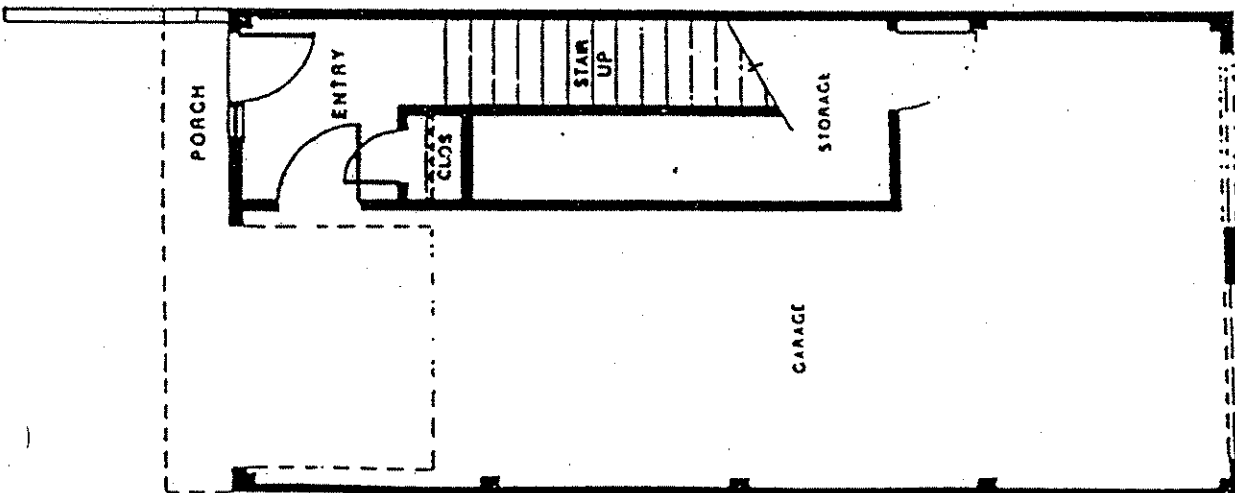
006-80-0043



UPPER LEVEL



MID LEVEL



LOWER LEVEL

Unit Type D
EXHIBIT "B-4"

EXHIBIT A

006-80-0044

Exhibit "C"

Pirates' Cove Townhome Council II
Percentage Interest in Common Furnishings and
Common Expenses per Co-Ownership Estate

Unit Type A:	0.3984%
Unit Type B:	0.4819%
Unit Type C:	0.5768%
Unit Type D:	0.5833%

EXHIBIT A

EXHIBIT "D"

PIRATES' COVE TOWNHOME COUNCIL II

RULES AND REGULATIONS

These Rules and Regulations, promulgated as of February 15, 1990, shall govern the reservation, use, and occupancy of the Units, Common Area, and Common Furnishings of the Pirates' Cove Townhomes II, and shall be deemed in effect until amended by the Board of Directors of the Pirates' Cove Townhome Council II and shall apply to and be binding upon all Owners and Unit Occupants. Owners shall at all times obey said Rules and Regulations and shall use their best efforts to ensure that such Rules and Regulations are fully and faithfully observed by members of their families, their guests, tenants, licensees and invitees. All of these Rules and Regulations are subordinate to and intended to supplement the Declaration of Co-ownership for Pirates' Cove Townhomes II (the "Declaration"), and in the event there is a conflict between these Rules and Regulations and the Declaration, the Declaration shall control. Said Rules and Regulations are as follows:

A. DEFINITIONS

1. All terms used in these Rules and Regulations shall be defined as said terms are defined and used in the Declaration and in the Restrictions.

2. "Assigned Unit" shall mean any Unit within the townhome project, the use and occupancy of which has been assigned to a particular Owner or Unit Occupant by the Manager for one (1) or more Use Periods in accordance with the provisions of these Rules and Regulations.

3. "Unit Occupant" shall mean any person other than the Owner who is authorized to use and occupy a unit within the property either as a guest of the Owner, a tenant, or as a result of the Owner's participation in the reciprocal exchange program.

B. RESERVATION PROCEDURE

Under no circumstances shall an Owner or Unit Occupant have the right to use and occupy a Unit within the Property unless such Unit has been reserved by him in accordance with the procedure set forth below.

1. The Owner shall have the right to use or occupy, and the Manager shall make available to the Owner, the Unit specified in his deed during the Use Period assigned to him.

2. Reservation of a Use Period and occupancy of an Assigned Unit shall at all times be subject to the prior payment

by the Owner of any and all amounts owed to the Council II, including, without limitation, Operation Fees and Personal Charges, pursuant to the Declaration.

3. If an Owner intends to exchange his Use Period pursuant to the reciprocal exchange program provided by RCI, such exchange shall be subject to the trading rules which govern reservation exchange requests, and such Owner will be required to obtain a confirmed reservation request for an Assigned Unit and Use Period within the time constraints imposed by RCI in order to make an exchange.

C. OCCUPANCY OF UNITS

1. Check-In and Check-Out Time

Check-in time shall be 4:00 P.M. on the first day of an Owner's reserved Use Period. All Owners and Unit Occupants shall vacate their Assigned Units no later than 10:00 A.M. on the last day of their reserved Use Period, or at such other time as may be determined by the Board from time to time. The six (6) hour period between check-in and check-out is reserved exclusively as a service period to permit the routine cleaning, repair, and maintenance of the Units by the Council II.

An Owner who fails to vacate his Unit at check-out time or at such earlier time as may be fixed by these Rules and Regulations shall be deemed a "Holdover Owner." The Council II, acting through the Manager, shall take such prompt and immediate steps as may be necessary to remove such Holdover Owner from the Unit wrongfully occupied, in accordance with the Declaration. Such Owner will be responsible for the costs and expenses resulting from or assessed in connection with his wrongful occupancy.

2. Inventory of Common Furnishings

Upon check-in, each Owner and Unit Occupant will be given an inventory checklist which lists all of the furniture and furnishings which should be contained within the Owner's or Unit Occupant's Assigned Unit. Each Owner and Unit Occupant should inspect his Assigned Unit carefully and promptly report to the Manager any discrepancies between the inventory checklist and such items as are actually contained within the Unit, together with the condition thereof. If an Owner or Unit Occupant fails to report any such discrepancy and a particular item is found to be damaged, above and beyond normal wear and tear, or missing immediately following the termination of such Owner's or Unit Occupant's Use Period, such Owner or Unit Occupant shall be charged for the cost of such item.

3. Maid Service

Maid service, the frequency of which is to be determined by the Board, is provided to assure that each Unit will be clean and neat during each Owner's and Unit Occupant's stay. Under ordinary circumstances, there is no separate charge for maid service, but if an Owner or Unit Occupant desires additional maid service or causes additional maid service to be required over and above that which would ordinarily be provided, then said Owner or Unit Occupant may be charged for such additional maid service.

4. Guests and Tenants

With the exception of guests accompanied by an Owner, upon check-in, the guests or tenants of an Owner shall present identification in a form acceptable to the Manager, together with written authorization to enter and use such Owner's Assigned Unit.

5. Keys

At the time an Owner or Unit Occupant checks in to use an Assigned Unit, he will receive a key to the Assigned Unit. A key deposit of \$25.00 will be required. Each Owner and Unit Occupant shall return to the Manager upon check-out all keys to his Assigned Unit. Each Owner or Unit Occupant will be responsible for any lost keys.

D. USE RESTRICTIONS

1. Personal Property

Except in areas which may be designated for such purpose by the Manager, the personal property of all Owners and Unit Occupants shall not be stored within their Assigned Units. The Manager shall not be responsible for any belongings left by an Owner, members of his family, or his guests, tenants, invitees, or licensees at the expiration of his Use Period.

2. Obstruction of Common Area

There shall be no obstruction of, nor shall anything be stored in, the Common Areas without the prior written consent of the Board. No garbage cans, supplies, milk bottles, or other articles shall be placed on the patios, decks, balconies or entry ways, nor shall any linens, cloths, clothing, curtains, rugs, mops, laundry of any kind or other articles be shaken or hung from any of the windows, doors, patio, decks, balconies, or entry ways, or exposed in any part of the Common Area.

3. Exterior Surfaces of Buildings

No sign, awning, canopy, shutter, screen, radio or television antenna, or anything else, shall be displayed from, affixed to, or placed upon the exterior walls, windows (both exterior and interior), doors, or roofs of the buildings or from, to or upon any other part of the Common Area outside the buildings without the prior written consent of the Board, other than those originally provided by the Declarant.

4. Laundry or Rubbish in Common Area

No clothes, sheets, blankets, laundry of any kind or other articles shall be hung or exposed on any part of the Common Area, except as may be expressly permitted under Rules adopted by the Board. The Common Area shall be kept free and clear of garbage, rubbish, debris and other unsightly materials.

5. Storage in Common Area

There shall be no parking of baby carriages, playpens, wagons, toys, benches or chairs on any part of the Common Area, except that deck and patio areas may be used for their intended purposes.

No Owner or Unit Occupant shall store or leave boats, trailers, bicycles, mobile homes, or other recreational vehicles in the Property, except in such areas as are specifically designated for same.

6. Prohibited Activities

a. No industry, business, trade, occupation or profession of any kind, commercial, religious, educational, or otherwise, shall be conducted, maintained, or permitted on any part of the Council II property.

b. No Owner or Unit Occupant 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 in the Common Area of the project.

c. Employees of the Council II or the Manager shall not be sent outside of the Council II premises by any Owner at any time for any purpose. No Owner or Unit Occupant shall direct, supervise, or in any manner attempt to assert any control over the employees of the Manager or the Council II.

d. No Owner or Unit Occupant shall make or permit any disturbing noises or offensive odors by himself, members of

his family, his guests, invitees, or licensees, nor do or permit anything by such persons that will interfere with the rights, comfort, or convenience of the other Owners or Unit Occupants. No Owner or Unit Occupant 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 manner as to disturb or annoy other occupants of the Units in the Property. All Owners and Unit Occupants shall lower the volume as to the foregoing from 10:00 P.M. to 8:00 A.M. each night. The Board of Directors shall have the right to abate all nuisances in or about the project.

e. No radio, television installation, or other wiring shall be made without the prior written consent of the Board.

f. No barbecue grills of any type may be used on balconies, within Units or on Common Areas except in areas specifically designated for such use.

g. No flammable, combustible, explosive, or otherwise dangerous fluid, chemical, or substance shall be kept in any Unit, except such as are required for normal household use.

h. Water shall not be left running for any unreasonable or unnecessary length of time.

7. Disposal of Refuse

Refuse and bagged garbage shall be deposited only in the area provided therefor.

8. Use by Others

An Owner may rent or lend his Use Period to others, and may invite guests to share occupancy of his Unit, provided that the maximum occupancy limit for such Unit is not exceeded. Owners are responsible for the conduct of their guests, and for all financial obligations incurred by their guests at the project.

9. Conduct of Unit Occupants

Owners and Unit Occupants shall be responsible for the conduct of members of their family, their guests, invitees, and licensees. Owners and Unit Occupants shall ensure that such persons' behavior is neither offensive to any occupant of the project nor damaging to any Unit or portion of the Common Area.

10. Complaints

Complaints regarding the operation and maintenance of the project shall be made in writing to the Manager, as long as any Management Agreement remains in effect, and thereafter, to the Board.

11. Occupancy Limits

No Unit shall be occupied overnight by a number of persons in excess of such occupancy limits as are imposed by law or as set forth in these Rules and Regulations. A one-bedroom Unit shall be occupied overnight by no more than four adult persons. A two-bedroom Unit shall be occupied by no more than six adult persons. For the purpose of determining maximum occupancy, a person will be deemed an adult if he is at least 12 years of age. The maximum occupancy limits shall not be interpreted to limit social entertaining.

12. No Pets

No animals or pets of any kind may be kept in any Unit or elsewhere within the Property.

13. Parking

The parking facilities shall be used in accordance with such regulations pertaining thereto as shall be adopted from time to time by the Board.

14. Pass Keys

The Board and the Manager may retain a passkey to all Units within the Property. No Owner or Unit Occupant shall alter any lock or install a new lock on the door of any Unit within the Property.

E. MISCELLANEOUS

1. The Manager, with the approval of the Board of Directors of the Council II, reserves the right to promulgate from time to time, without the consent of the members, such additional Rules and Regulations as may be deemed necessary or desirable. Such additional Rules and Regulations shall be as binding upon the members as all other Rules and Regulations previously adopted.

2. The Board shall be entitled to recover reasonable costs and attorneys' fees in the event it prevails in an action brought against an Owner or Unit Occupant to enforce these Rules and Regulations.

BRRPCTII