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PIRATES COVE TOWNHOMES II

GranteesLegal 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.

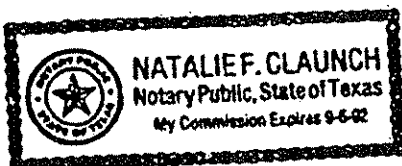
MITCHELL/SOUTHWEST

By: [Signature]
Name: J. L. Rogers
Title: Senior Vice President

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

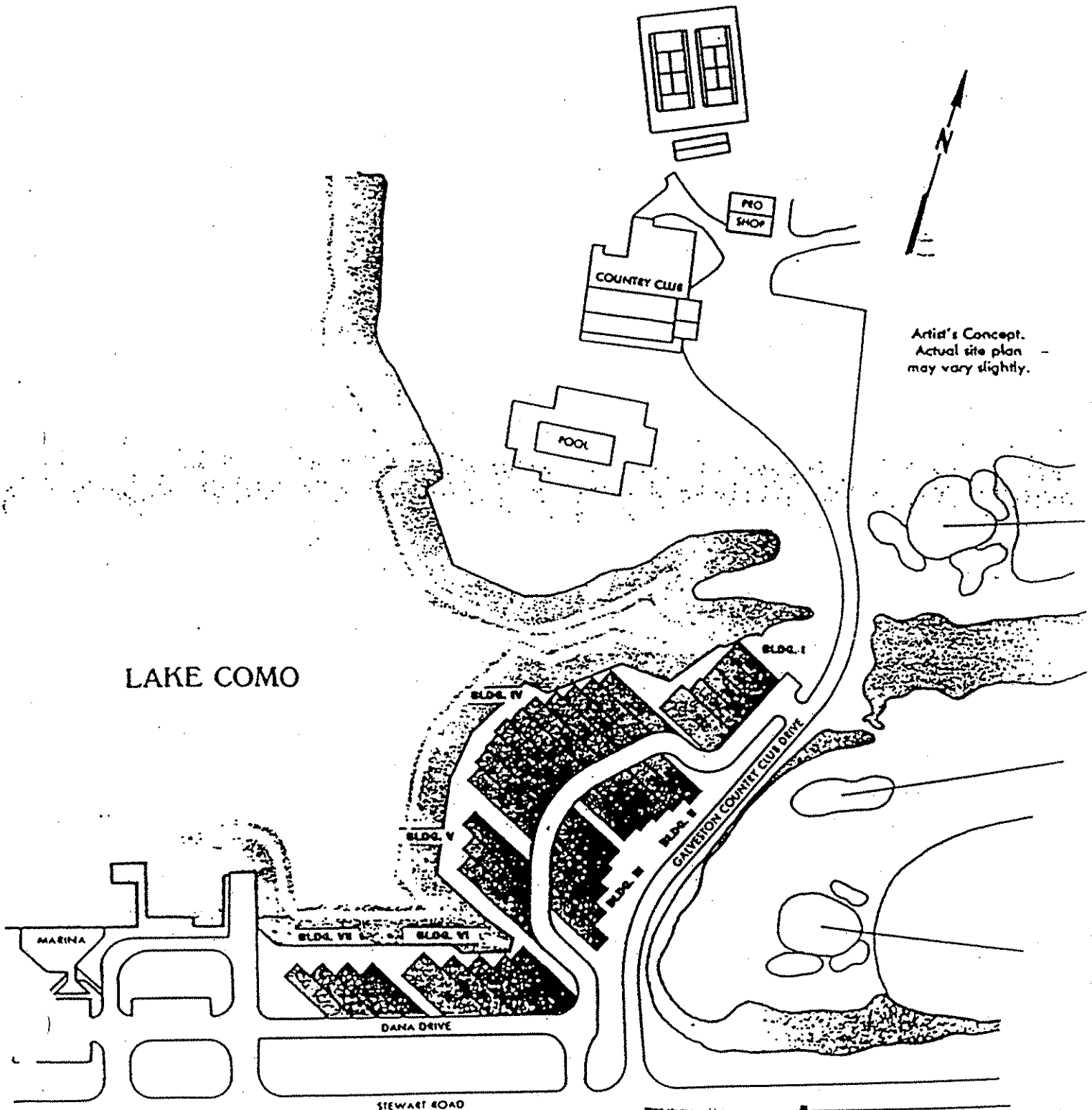
This instrument was acknowledged before me this 10th day of January, 1990 by J. L. Rogers,
Senior Vice President, of Mitchell/Southwest,
a Delaware corporation, on behalf of said corporation.

[Signature]
Notary Public, State of Texas



AKW/ns/BDTPCTII/01-08-90

PIRATES' COVE TOWNHOMES



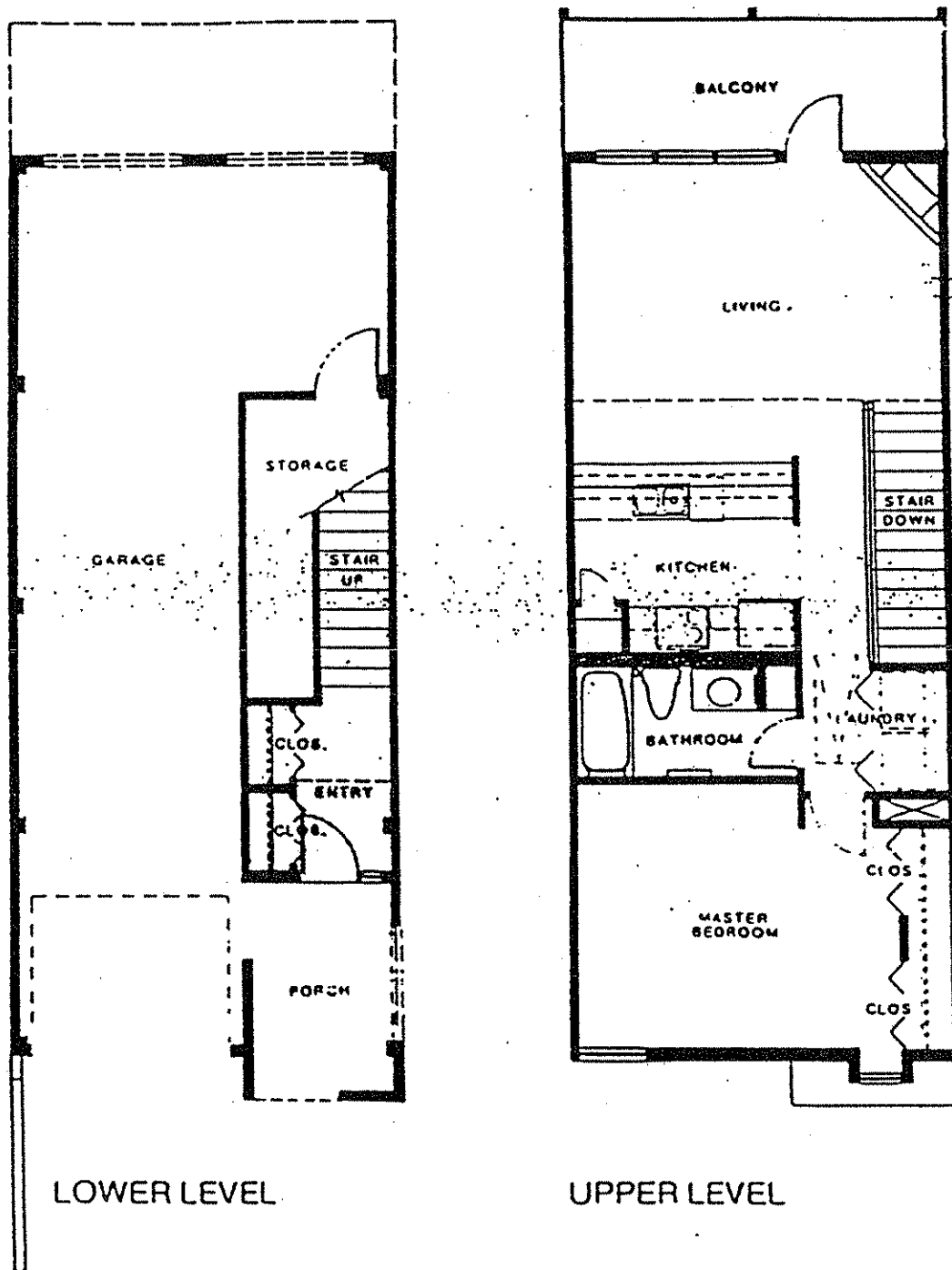
Artist's Concept.
Actual site plan
may vary slightly.

EXHIBIT A

EXHIBIT A

006-80-0040

PIRATES' COVE TOWNHOMES

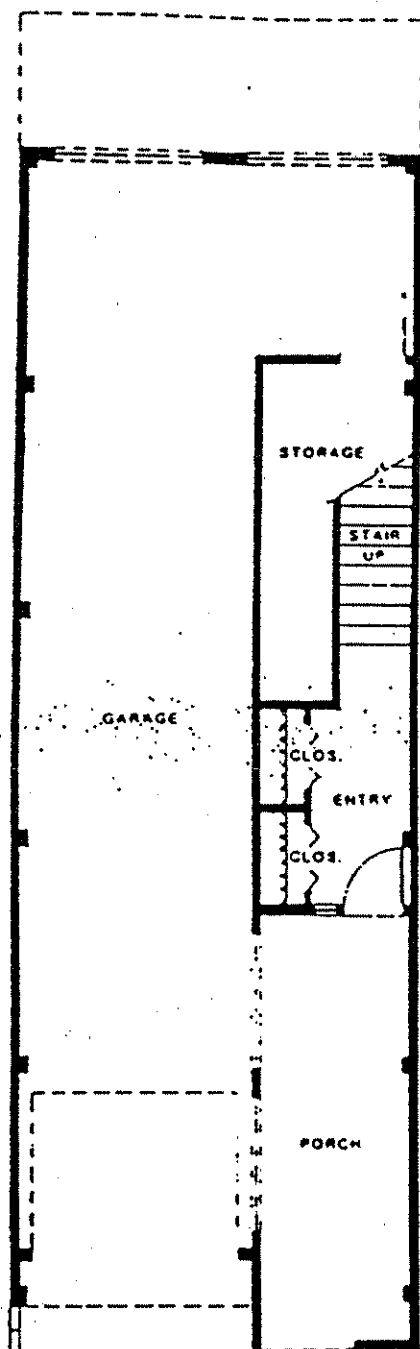


Unit Type A
EXHIBIT "B-1"

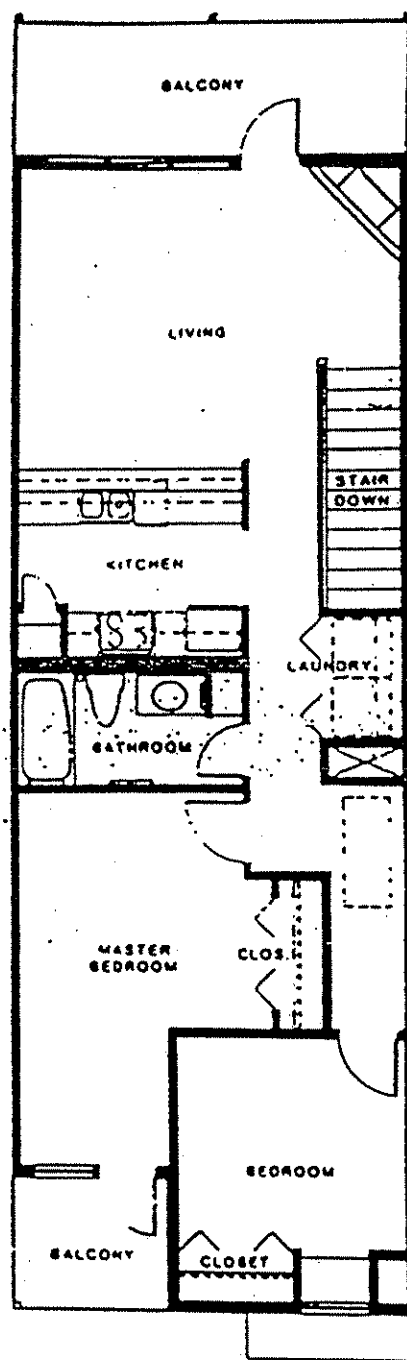
EXHIBIT A

006-80-0041

PIRATES' COVE TOWNHOMES



LOWER LEVEL



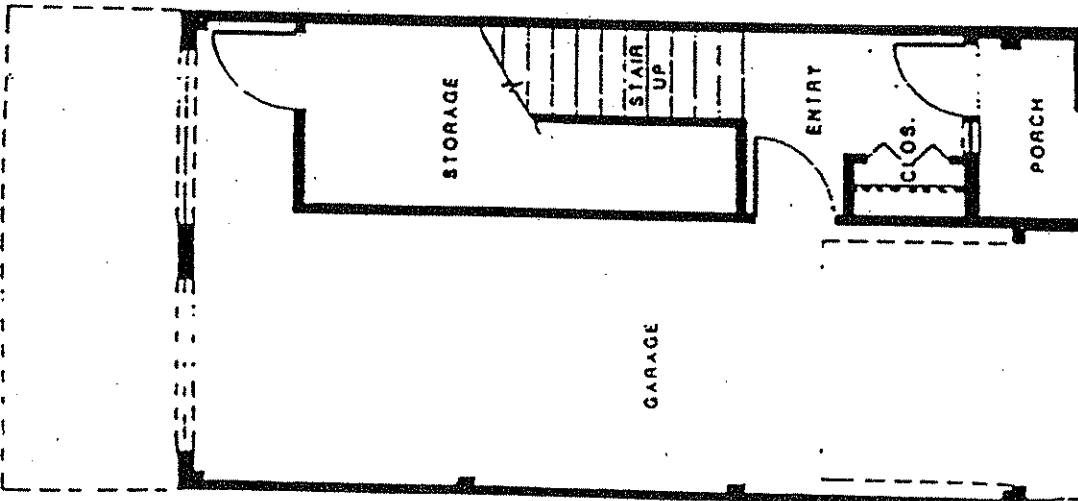
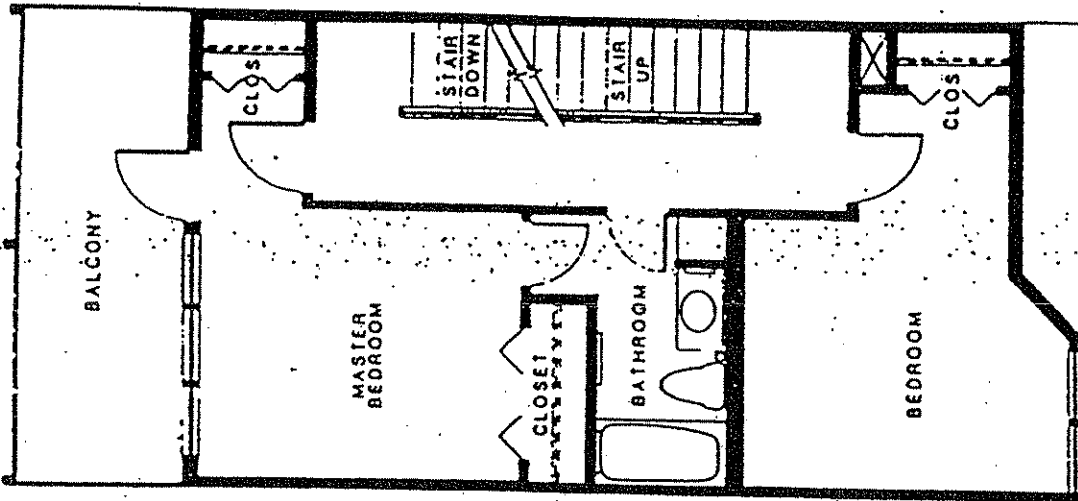
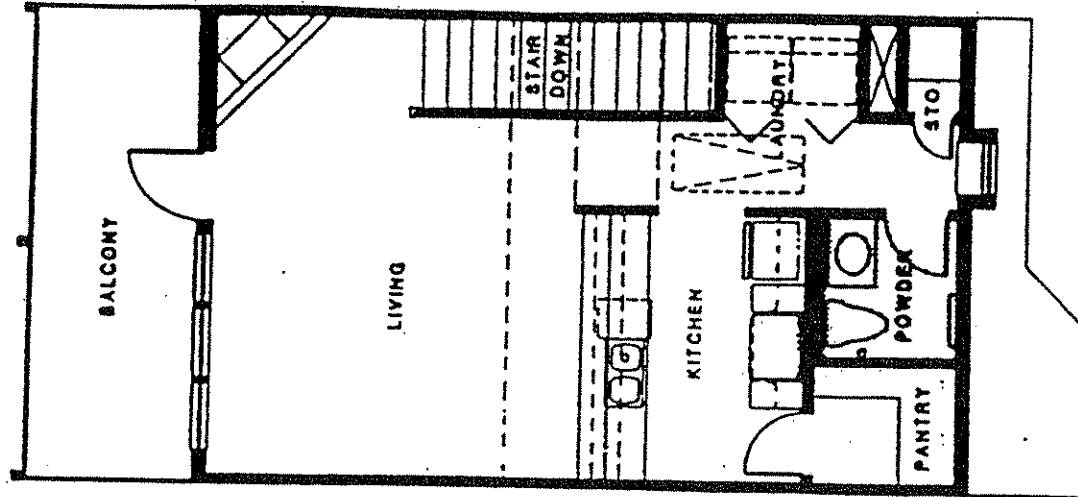
UPPER LEVEL

Unit Type B
EXHIBIT "B-2"

EXHIBIT A

PIRATES' COVE TOWNHOMES

006-80-0042

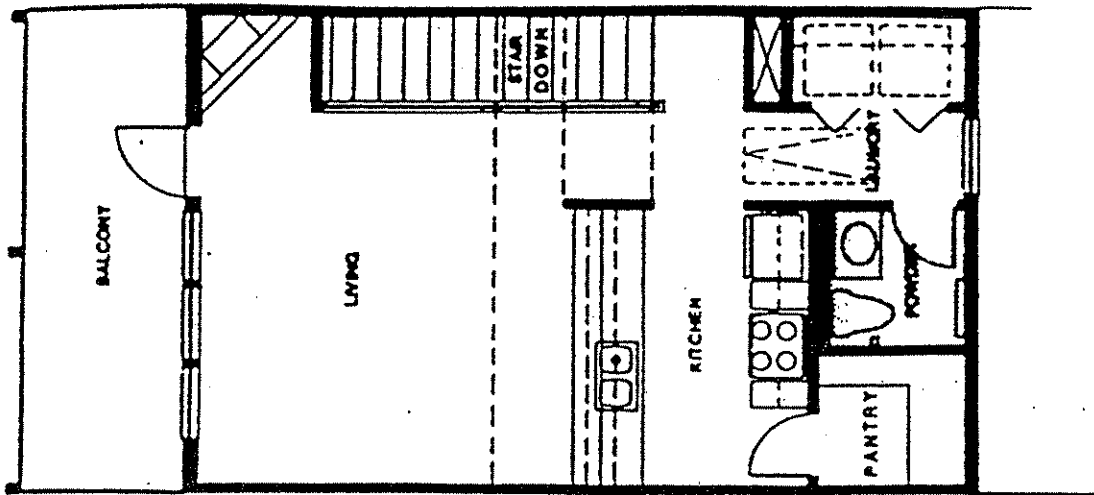


Unit Type C
EXHIBIT "B-3"

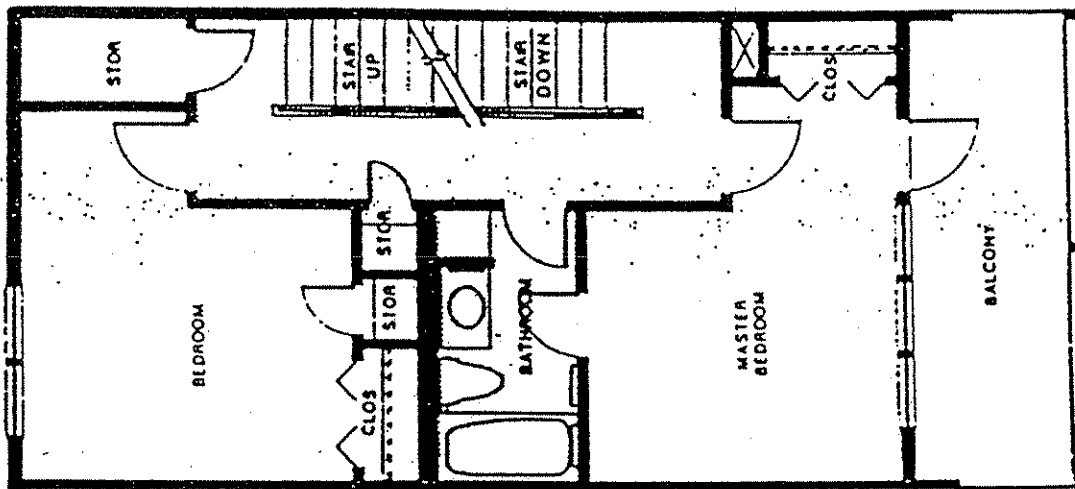
EXHIBIT A

PIRATES' COVE TOWNHOMES

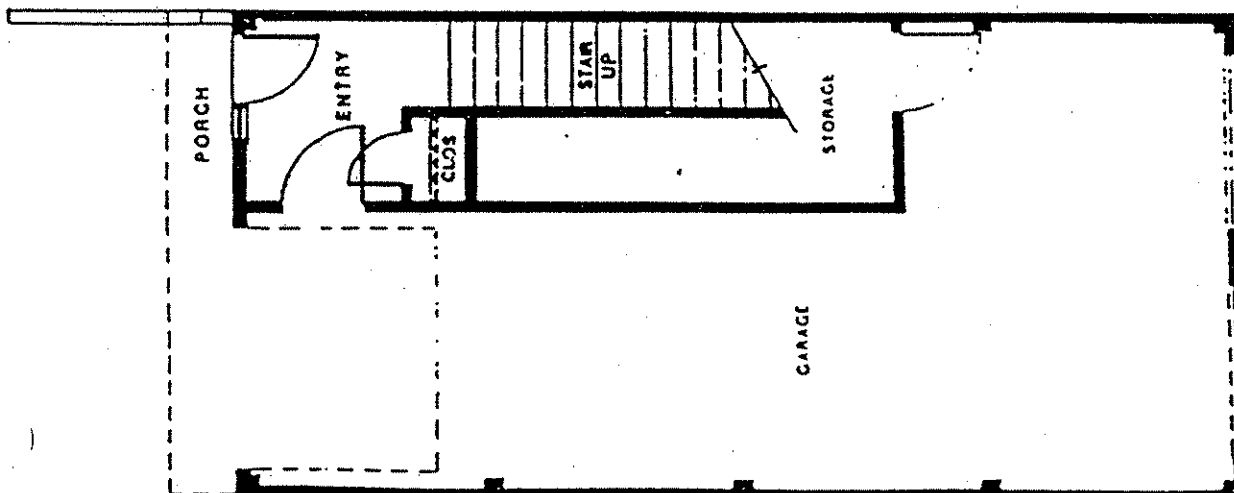
006-80-0043



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