

THE STATE OF TEXAS : COVENANTS AND RESTRICTIONS
FOR
COUNTY OF GALVESTON : CAMPECHE COVE, SECTIONS 1, 2, & 3

THIS DECLARATION, made this 30th day of October,
A. D. 1974, by Campeche Development Corporation, hereinafter called
"Developer".

WITNESSETH:

WHEREAS, Developer is the owner of the real property described
in Article II of this Declaration and desires to create thereon a residential
community with permanent parks, open spaces, and other common facilities
for the benefit of the said community; and,

WHEREAS, Developer desires to provide for the preservation of the
values and amenities in said community and for the maintenance of said parks,
open spaces and other common facilities; and, to this end, desires to subject
the real property described in Article II together with such additions as may
hereafter be made thereto (as provided in Article II) to the covenants, restric-
tions, easements, charges and liens, hereinafter set forth, each and all of
which is and are for the benefit of said property and each owner thereof; and,

WHEREAS, Developer has deemed it desirable, for the efficient pre-
servation of the values and amenities in said community, to create an entity
to which should be delegated and assigned the powers of maintaining and ad-
ministering the community properties and facilities and administering and
enforcing the covenants and restrictions and collecting and disbursing the
assessments and charges hereinafter created; and,

WHEREAS, Developer has incorporated under the laws of the State
of Texas, as a non-profit corporation, THE CAMPECHE COVE HOMEOWNERS'
ASSOCIATION, for the purpose of exercising the functions aforesaid; and,

WHEREAS, Developer has made application for an exemption from
the provisions of the Interstate Land Sales Full Disclosure Act and the filing
of this Declaration is a condition precedent to the approval for said exemption;

NOW, THEREFORE, the Developer declares that the real property
described in Article II, and such additions thereto as may hereafter be made
pursuant to Article II hereof, is and shall be held, transferred, sold, conveyed

RECORDED
NOV 25 1974
PAGE 851

and occupied subject to the covenants, restrictions, easements, charges and liens (sometimes referred to as "covenants and restrictions") hereinafter set forth.

ARTICLE I
DEFINITIONS

SECTION 1. The following words when used in this Declaration or any supplemental Declaration (unless the context shall prohibit) shall have the following meanings:

(a) "Association" shall mean and refer to the Campeche Cove Homeowners' Association, a non-profit corporation which has been incorporated under the laws of the State of Texas and has been delegated and assigned the powers of maintaining and administering the community properties and facilities and administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created.

(b) "The Properties" shall mean and refer to all such existing properties, and additions thereto, as are subject to this Declaration or any Supplemental Declaration under the provisions of Article II, hereof.

(c) "Common Properties" shall mean and refer to those areas of land shown on any recorded subdivision plat of The Properties and intended to be devoted to the common use and enjoyment of the owners of The Properties.

(d) "Lots" shall mean and refer to any plot of land shown upon any recorded subdivision map of The Properties with the exception of Common Properties as heretofore defined.

(e) "Dwelling Unit" shall mean and refer to any portion of a building situated upon The Properties designed and intended for use and occupancy as a residence by a single family.

(f) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot or Dwelling Unit situated upon The Properties.

(g) "Member" shall mean and refer to all those Owners who are members of the Association as provided in Article III, Section 1, hereof.

ARTICLE II
PROPERTY SUBJECT TO THIS DECLARATION:
ADDITIONS THERETO

SECTION 1. Existing Property. The real property which is, and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in Galveston County, Texas, and is more particularly described as that certain 65 acre tract of land out of the Trimble and Lindsey Survey, a subdivision designated as Campeche Cove, Sections 1, 2 and 3 according to the plats thereof filed with the County Clerk of Galveston County, Texas, Volume _____, Page _____; Volume _____, Page _____; and Volume _____, Page _____; all of which real property shall hereinafter be referred to as "Existing Property".

SECTION 2. Intended Use of Existing Property. Existing property shall be divided into three (3) separate sections, the intended use thereof to be the following: (1) single family residential lots: 139 lots, namely Lots 1 through 13 of Block 1, Section 1; Lots 1 through 12 of Block 2, Section 1; Lots 1 through 34 of Block 3, Section 1; Lots 1 through 30 of Block 4, Section 1; Lots 1 through 16 of Block 5, Section 2; Lots 1 through 18 of Block 6, Section 2; Lots 1 through 6 of Block 7, Section 2; and Lots 1 through 10 of Block 8, Section 2, as reflected in the plats referred to Section 1 will be sold to individuals and builders for the construction of single family dwellings as long as the building units are constructed within the standards described by the Subdivision Building Restrictions and the City of Galveston Building Code. (2) Townhouse Lots: 40 lots, namely Lot 1 through Lot 10, Block 9, Section 2; Lot 1 through Lot 10, Block 10, Section 2; Lot 1 through Lot 10, Block 11, Section 2; and Lot 1 through Lot 10, Block 12, Section 2, will be sold to individuals and builders for the construction of single family dwellings as long as the building units are constructed within the standards described by the Subdivision Building Restrictions and the City of Galveston Building Code. (3) Cluster House Section: four (4) blocks namely Blocks 13, 14, 15 and 16, all of Section 3, when fully developed could contain a total of 198 dwelling units. These four (4) blocks are to be sold in their entirety to builders to construct the number and type of dwelling units that the builder may desire within the restrictions as long as the building units are constructed within the standards described by the Subdivision Building Restrictions and the City of Galveston Building Code.

SECTION 3. Additions to Existing Property. Additional lands may become subject to this Declaration in the following manner:

(a) Additions in Accordance with a General Plan of Development. The Developer, its successors and assigns, shall have the right to bring within the scheme of this Declaration additional properties in future stages of the development, provided that such additions are in accord with a General Plan of Development prepared prior to the sale of any Lot and made known to every purchaser (which may be done by brochure delivered to each purchaser)

REC'D OF TRUST
NOV 25 1954

prior to such sale. Additional lands may be added to this scheme of development only under the express condition that application for supplemental exemption will be made as provided by the Interstate Land Sales Full Disclosure Act.

Such General Plan of Development shall show possible additions to the Existing Property and contain: (1) a general indication of size and location of additional development stages and proposed land uses in each; (2) the approximate size and location of common properties proposed for each stage; (3) the general nature of proposed common facilities and improvements; (4) a statement that the proposed additions, if made, will become subject to assessment for their just share of Association expenses, and (5) a schedule for termination of the Developer's right under the provisions of this subsection to bring additional development stages within the scheme. Unless otherwise stated therein, such General Plan of Development shall not bind the Developer, its heirs and assigns, to make the tentatively proposed additions or to adhere to the Plan in any subsequent development of the land shown thereon.

The additions authorized under this and the succeeding subsection, shall be made by filing of record a Supplementary Declaration of Covenants and Restrictions with respect to the additional property which shall extend the scheme of the covenants and restrictions of this Declaration to such property, and by applying for a supplemental exemption under the provisions of the Interstate Land Sales Full Disclosure Act.

Such Supplementary Declaration may contain such complementary additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary to reflect the different character of the added properties and as are not inconsistent with the scheme of this Declaration and not inconsistent with the rules and regulations of the Interstate Land Sales Full Disclosure Act. In no event, however, shall such Supplementary Declaration revoke, modify or add to the covenants established by this Declaration within the Existing Property.

(b) Other Additions. Upon approval in writing of the Association pursuant to a vote of its members as provided in its Articles of Incorporation, the owner of any property who desires to add it to the scheme of this Declaration and to subject it to the jurisdiction of the Association, may file of record a Supplementary Declaration of Covenants and Restrictions, as described in subsection (a) hereof.

(c) Mergers. Upon a merger or consolidation of the Association

with another association, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the properties, rights and obligations of another association may, by operation of law, be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration within the Existing Property together with the covenants and restrictions established upon any other properties as one scheme. No such merger or consolidation, however, shall effect any revocation, change or addition to the covenants established by this Declaration within the Existing Property except as hereinafter provided.

ARTICLE III
MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

SECTION 1. Membership. Every person or entity who is a record owner of a fee or undivided fee, interest in any Lot (or Dwelling Unit) which is subject by covenants of record to assessment by the Association shall be a member of the Association, provided that any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a member.

SECTION 2. Voting Rights. The Association shall have two classes of voting membership:

Class A. Class A members shall be all those owners as defined in Section 1 with the exception of the Developer. Class A members shall be entitled to one vote for each Lot (or Dwelling Unit) in which they hold the interests required for membership by Section 1. When more than one person holds such interest or interests in any Lot (or Dwelling Unit), all such persons shall be members, and the vote for such Lot (or Dwelling Unit) shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Lot (or Dwelling Unit).

Class B. Class B members shall be the Developer. The Class B member shall be entitled to two votes for each Lot in which it holds the interest required for membership by Section 1 (and for every Dwelling Unit in any structure owned by it until such unit is first sold or leased), provided that the Class B membership shall cease on July 1, 1977, or when 30% of the Lots are sold, whichever occurs first. Thereafter, Developer shall have no voting rights in the Association.

OFFICE OF TRUST
BOOK 2520 PAGE 856

ARTICLE IV
PROPERTY RIGHTS IN THE COMMON PROPERTIES

SECTION 1. Members' Easements of Enjoyment. Subject to the provisions of Section 3, every member shall have a right and easement of enjoyment in and to the Common Properties and such easement shall be appurtenant to and shall pass with the title to every Lot (or Dwelling Unit).

SECTION 2. Title to Common Properties. The Developer may retain the legal title to the Common Properties until such time as it has completed improvements thereon and until such time as, in the opinion of the Developer, the Association is able to maintain the same but, notwithstanding any provision herein, the Developer hereby covenants, for itself, its heirs and assigns, that it shall convey the Common Properties to the Association on July 1, 1977, or when 30% of the Lots are sold, whichever occurs first.

SECTION 3. Extent of Members' Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

(a) The right of the Developer and of the Association, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving the Common Properties and in aid thereof to mortgage said properties. In the event of a default upon any such mortgage the lender shall have a right, after taking possession of such properties, to charge admission and other fees as a condition to continued enjoyment by the members and, if necessary, to open the enjoyment of such properties to a wider public until the mortgage debt is satisfied, whereupon the possession of such properties shall be returned to the Association and all rights of the Members hereunder shall be fully restored; and

(b) The right of the Association to take such steps as are reasonably necessary to protect the above-described properties against foreclosure; and

(c) The right of the Association, as provided in its Articles and Bylaws, to suspend the enjoyment of any member for any period during which any assessment remains unpaid, and for any period not to exceed thirty (30) days for any infraction of its published rules and regulations; and

(d) The right of the Association to charge reasonable admission and other fees for the use of the Common Properties; and

(e) The right of the Association to dedicate or transfer all or any part of the Common Properties to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members, provided that no such dedication or transfer, determination as to the purposes or as to the conditions thereof, shall be effective unless an instrument signed by members entitled to cast two thirds (2/3) of the votes of each class of membership has been recorded, agreeing to such dedication, transfer, purpose or condition, and unless written notice of the proposed agreement and action thereunder is sent to every member at least ninety (90) days in advance of any action taken.

ARTICLE V
RESERVATIONS AND RESTRICTIONS

SECTION 1. Reservations for Utilities. Rights of ingress and egress are reserved by various public utilities as necessary for the care and maintenance of such utilities as per the Master Utility Plan on file in the City of Galveston Building Department, Room 400, City Hall, Galveston, Texas, a copy of which is permanently on file in the offices of Developer at 10000 Stewart Road, Galveston, Texas.

SECTION 2. Architectural Control Committee. No building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature and location of the same shall have been submitted to the approved in writing as to harmony of external design and location in relation to surrounding structures and topography by either the Board of Directors of the Association, or by an Architectural Committee composed of three (3) or more representatives appointed by the Board. In the event said board, or its designated committee, fail to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, or in any event, if no suit to enjoin the addition, alteration or change has been commenced prior to the completion thereof, approval will not be required and this Article will be deemed to have been fully complied with.

SECTION 3. Reservations-Development in Accordance with the Intent and Purposes of Plan. For the purpose of creating and carrying out a uniform plan for the parceling and sale of all lots in Campeche Cove Subdivision for the uses indicated and as noted by the plat, the following restrictions (hereinafter called the "Restrictions") are hereby established and adopted to apply uniformly to the use, occupancy and conveyance of all of the lots in the Subdivision. The Restrictions may be incorporated to the same extent as

DEFD OF TRUST
BOOK 2520 PAGE 857

DEED OF TRUST
BOOK 2520 PAGE 858

though set forth in full in any contract of sale, deed, lease or other transfer of any interest in any lot in the Subdivision by reference to this instrument; and every contract of sale, deed, lease, or other transfer of any interest hereafter executed with regard to any lot in the Subdivision shall be conclusively deemed to have been executed, delivered and accepted subject to the following Restrictions, even if the Restrictions are not set out in full and are not incorporated by reference in such contract of sale, deed, lease or other transfer of any interest in any such lot:

(a) Each lot, with the exception of designated park and commercial tracts, shall be used only for single family residential purposes. The term "Residential Purposes" includes the rental of a Dwelling Unit for said purposes at any time and for such period of time as any owner of a lot deems desirable. Lots 1 through 10, contained within Blocks 9 through 12, Section 2, inclusive, shall be, either singularly or in combination of lots or portions thereof, utilized for "Townhouse Purposes". Townhouses shall be construed to be a single family dwelling. The erection of Townhouses shall be subject to compliance with the zoning standards of the City of Galveston applicable to such use.

(b) No structure of any type shall be constructed, placed and/or altered on any lot until building plans have been reviewed by the Architectural Committee of the Campeche Cove Homeowner's Association. The standards for approval shall be in compliance with these restrictions; the compatibility of contemplated design to relation to existing structures having proximity; and the location of the building site with respect to topography of the property. Structure as used herein shall include, but not be limited to, principal buildings, fences and walls, docks, piers, decks, swimming pools, and permitted accessory structures of a permanent nature.

(c) Notwithstanding the provisions of (b) above, docks to be of floating type with non-ferrous flotation devices so as to be substantially perpendicular with rear property lines abutting any water area. No dock shall extend to a distance greater than twenty (20) feet into the water area and nearer than ten (10) feet to an adjoining lot line. No pier or dock shall be permitted in conjunction with Lots 10 through 15 in Block 5 or Lots 1 through 13 in Block 6. Boathouses will be prohibited.

(d) Mobile homes (house trailers) shall be prohibited.

(e) Boats, boat trailers, motor homes and campers shall not be parked or placed nearer to the street than the building setback line, nor shall they be stored on the street, adjacent to any lot in said subdivision.

(f) No animals, livestock or poultry shall be kept on any lot with the exception of domestic animals such as dogs and cats or other commonly accepted household pets. (Such domestic animals shall not be kept, bred, or maintained for commercial purposes.)

(g) The owners or occupants of all lots in this Subdivision shall at all times keep all weeds and grass thereon cut in a sanitary, healthful and attractive manner, and shall in no event use any lot for storage of material and equipment except for normal residential requirements, or permit the accumulation of garbage, trash or rubbish of any kind thereon. In the event of default on the part of the owner of any lot in the Subdivision in observing the above requirements, Campeche Cove Homeowners' Association and any of its employees, agents, or representatives, may enter upon said Lot, cut or cause to be cut, such weeds and grass, and remove or cause to be removed such garbage, trash and rubbish so as to place said Lot in a neat, attractive healthful and sanitary condition and may bill the owners for the cost of such work.

(h) No noxious or offensive trade or activity shall be carried on upon any lots nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood.

(i) No spiritous, vinous, or malt or medicated bitters capable of producing intoxication shall ever be sold, or offered for sale, on said premises, or any part thereof, nor shall said premises or any part thereof be used for illegal or immoral purposes.

(j) No dwelling shall be erected or placed on less than one full lot as shown on the plat of said subdivision.

(k) No structure shall be moved to any lot.

(l) All improvements shall be constructed on the lot so as to front the street upon which such lot faces.

(m) No one story residence with less than 1,200 square feet of living area; exclusive of porches and garages, and no two story residence with ground floor of less than 1,000 square feet of living area, and a total living area of less than 1,200 square feet, exclusive of porches and garages, shall be constructed on any lot. Residences shall have at least three sides of brick or of wood and/or stucco and brick, and all roofing must be of composition approved by the Architectural Committee. Square footage requirements shall not apply to Blocks 9, 10, 11 and 12 in Section 2 or all of Section 3.

RECORD OF DEEDS
BOOK 2520 PAGE 860

(n) No fence or wall shall be erected nearer any streets than the building setback line. No fence or wall shall be erected in Sections 9 through 12, Block 2, any nearer than fifteen (15) feet from the water line.

(o) No fence, wall hedge or shrub planting which obstructs sight lines at elevations between two (2) and six (6) feet above the roadways shall be placed or permitted to remain on any corner lot at points twenty-five (25) feet from the intersection of the street lines. No tree shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

(p) No building material of any kind or character shall be placed or stored upon the property until the owner is ready to commence improvements, and then such material shall be placed within the property lines of the lot parcel of land upon which the improvements are to be erected, and shall not be placed in the street or between the curb and property line.

(q) All vehicular access, with the exception of access to lots within Lot 9 through 12, Block 2, inclusive, shall be from interior streets within the subdivision.

(r) No building shall be located on any lot nearer to the front lot line or nearer to the side street line than the minimum building setback line shown on the recorded plat. In any event no building shall be located on any lot nearer than twenty (20) feet to the front lot line. No building shall be located nearer than five (5) feet to either interior line. For the purpose of this covenant, eaves, steps and open porches shall not be considered as a part of the building provided, however, that this shall not be construed to permit any portion of a building on a lot to encroach upon another lot.

(s) Dwellings on corner lots shall have a presentable frontage, as determined by the Architectural Committee, on all streets on which that particular corner lot fronts.

ARTICLE VI
TAXES

The property hereinabove described is within the City Limits of the City of Galveston and within the County of Galveston and is subject to taxation from both of these entities. It is impossible at this time to estimate the taxes that will be assessed on this property inasmuch as all existing tax information is based on a zoning of this property as "Rural". The property has since been re-zoned as "Planned Development" and the valuation will be changed. The following information on 1973 taxes may be of some guidance in this matter.

Taxation by the City of Galveston, Texas : (80% of assessment)

City of Galveston	\$1.36 per \$100 valuation
Navigation District	\$0.12 per \$100 valuation
School	\$1.69 per \$100 valuation
Junior College	<u>\$0.20 per \$100 valuation</u>
Total	\$3.37 per \$100 valuation

Taxation by the County of Galveston, Texas: (25% of assessment)

State of Texas	\$1.22 per \$100 valuation
County of Galveston	\$0.92 per \$100 valuation
Road and Flood	\$0.30 per \$100 valuation
Road District No. 1	<u>\$0.10 per \$100 valuation</u>
Total	\$1.54 per \$100 valuation

DEED OF TRUST
BOOK 2520 PAGE 861

ARTICLE VII
ASSESSMENTS

SECTION 1. Creation of the Lien and Personal Obligation of Assessments. The Developer for each Lot owned by him within The Properties hereby covenants and each Owner of any Lot (or Dwelling Unit) by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, be deemed to covenant and agree to pay to the Association: (1) annual assessments or charges; (2) special assessments to be fixed, established, and collected from time to time as hereinafter provided. The annual and special assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest thereon and cost of collection thereof as hereinafter provided, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due.

SECTION 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promulgating the recreation, health, safety, and welfare of the residents in The Properties and in particular for the improvement and maintenance of landscaping, perimeter walls, entry features, and other properties, services, and facilities devoted to this purpose and related to the use and enjoyment of the Common Properties and of the Dwelling Units situated upon The Properties, including, but not limited to, the payment of taxes and insurance thereon and repair, replacement, and additions thereto, and for the cost of labor, equipment, materials, and management thereof.

DEED OF TRUST
BOOK 2520 PAGE 862

SECTION 3. Basis and Maximum of Annual Assessments. Until the year beginning July 1, 1975, the annual assessment shall be (75) dollars per lot, excluding Section 3, Dwelling Units, the assessment for which shall be established from year to year by the Homeowner's Association commensurate with the maintenance and service to be rendered to such section. From and after July 1, 1975, the annual assessment may be increased by vote of the members, as hereinafter provided, for the next succeeding three years and at the end of such period of three (3) years for each succeeding period of three (3) years.

The Board of Directors of the Association may, after consideration of current maintenance costs and future needs of the Association, fix the actual assessment for any year at a lesser amount.

SECTION 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized by Section 3 hereof, the Association may levy in any assessment year a special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Properties, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of two thirds (2/3) of the votes of each class of members who are voting in person or by proxy at the meeting duly called for this purpose, written notice of which shall be sent to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

SECTION 5. Change in Basis and Maximum of Annual Assessments. Subject to the limitations of Section 3 hereof, and for the periods therein specified, the Association may change the maximum and basis of the assessments fixed by Section 3 hereof prospectively for any such period provided that any such change shall have the assent of two thirds (2/3) of the votes of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting, provided further that the limitations of Section 3 hereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Article of Incorporation and under Article II, Section 2 hereof.

SECTION 6. Quorum for Any Action Authorized Under Section 4 and 5. The quorum required for any action authorized by Sections 4 and 5 hereof shall be as follows:

RECORDED

At the first meeting called, as provided in Sections 4 and 5 hereof, the presence at the meeting of members, or of proxies, entitled to cast sixty (60) per cent of all the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth in Sections 4 and 5, and the required quorum at any such subsequent meeting shall be one half (1/2) of the required quorum at the preceding meeting, provided that no such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

SECTION 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence on the date (which shall be the first day of a month) fixed by the Board of Directors of the Association to be the date of commencement.

The first annual assessments shall be made for the balance of the calendar year and shall become due and payable on the day fixed for commencement. The assessments for any year, after the first year, shall become due and payable on the first day of June of said year.

The amount of the annual assessments which may be levied for the balance remaining in the first year of assessment shall be an amount which bears the same relationship to the annual assessment provided for in Section 3 hereof as the remaining number of months in that year bear to twelve. The same reduction in the amount of the assessment shall apply to the first assessment levied against any property which is hereafter added to the properties now subject to assessment at a time other than the beginning of any assessment period.

The due date of any special assessment under Section 4 hereof shall be fixed in the resolution authorizing such assessment.

SECTION 8. Duties of the Board of Directors. The Board of Directors of the Association, to be elected by a majority of the members, shall fix the date of commencement and the amount of the assessment against each Lot (or Dwelling Unit) for each assessment period of at least thirty (30) days in advance of such date or period and shall, at the time, prepare a roster of the properties and assessments applicable thereto which shall be made available to any Owner upon request.

SECTION 9. Effect of Non-Payment of Assessment: The Personal Obligation of the Owner; The Lien; Remedies of Association. If the assessments are not paid on the date when due (being the dates specified in Section 7 hereof), then such assessment shall become delinquent and shall, together with such interest thereon and cost of collection thereof as hereinafter provided,

REC-2520 PAGE 863

OFFICE OF THE CLERK

RECORD OF PROCEEDINGS
PAGE 2520 PAGE 864

thereupon become a continuing lien on the property which shall bind such representatives and assigns. The personal obligation of the then Owner to pay such assessment, however, shall remain his personal obligation for the statutory period and shall not pass to his successors in title unless expressly assumed by them.

If the assessment is not paid within sixty (60) days after the delinquency date, the assessment shall bear interest from the date of delinquency at the rate of six (6) per cent per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or to foreclose the lien against the property, and there shall be added to the amount of such assessment the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorney's fee to be fixed by the court together with the costs of the action.

SECTION 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages placed upon the properties subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment.

SECTION 11. Exempt Property. The following subject to this Declaration shall be exempted from the assessments, charge and lien created herein: (a) all properties to the extent of any easement or other interest therein dedicated and accepted by the City and/or County of Galveston and devoted to public use; (b) all Common Properties as defined in Article 1, Section 1 hereof; (c) all properties exempted from taxation by the laws of the State of Texas, upon the terms and to the extent of such legal exemption.

Notwithstanding any provisions herein, no land or improvements devoted to dwelling use shall be exempt from said assessments, charges or liens.

SECTION 12. Authority for Assessments. The above described assessments are made pursuant to the general powers and authorities granted by the Bylaws of the Association and Article 1396-2.02 of Vernon's Annotated Texas Statutes.

ARTICLE VIII
GENERAL PROVISIONS

SECTION 1. Duration. The covenants and restrictions of this declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the Owner of any land subject to this declaration, their respective legal representatives, heirs, successors and assigns, for a term of forty (40) years from the date this statement is filed, after which time said covenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by the then Owners of two thirds (2/3) of the Lots upon which such Dwelling Units are situated shall not be counted. Provided, however, that no such agreement to change shall be effective unless made and recorded three (3) years in advance of the effective date of such change, and unless written notice of the proposed agreement is sent to every Owner at least ninety (90) days in advance of any action taken.

SECTION 2. Notices. Any notice required to be sent to any member or Owner under the provisions of this statement shall be deemed to have been properly sent when mailed, postage prepaid, to the last known address of the person who appears as member or Owner on the records of the Association at the time of such mailing.

SECTION 3. Enforcement. Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restrictions, either to restrain violation or to recover damages, and against the land to enforce any lien created by these covenants; and failure by the Developer, Association and/or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

SECTION 4. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Campeche Development Corporation, hereby makes, adopts, and establishes the foregoing covenants and restrictions as heretofore set forth as applicable to property within Campeche Cove Subdivision.

WARNING: This subdivision is not registered with the Office of Interstate Land Sales Registration nor has that Office passed upon the accuracy or adequacy of this declaration, nor does this declaration serve as an endorsement or recommendation by that Office of the above offering.

Campeche Development Corporation hereby makes, adopts, and establishes the foregoing covenants and restrictions as heretofore set forth as applicable to property within Campeche Cove Subdivision.

EXECUTED as of this 30th day of October, 1974.

BOOK 2521 PAGE 866

Campeche Development Corporation
By John L. Sullivan
President

Attest:

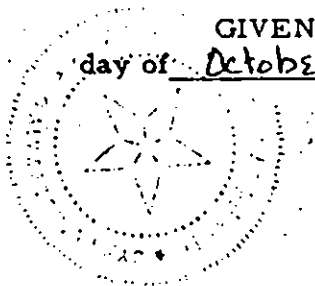
Gene H. Sullivan
Secretary

THE STATE OF TEXAS :

COUNTY OF GALVESTON :

BEFORE ME, the undersigned authority, on this day personally appeared John L. Sullivan, President of Campeche Development Corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was the act of the said Campeche Development Corporation, for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND and seal of office this the 30th day of October, 1974.



Marjett H. Singald
Notary Public in and for Galveston
County, Texas

28596

PROPERTY RECORDS

OCT 31 2 12 1974

James J. [unclear]
COUNTY CLERK, GALVESTON COUNTY, TEXAS

DEED OF TRUST
BOOK 2520 PAGE 867

Mr. F. Bond
McLeod, Alexander, Russell & Appel, Inc.
508 Sealy & Smith Professional
900 University Blvd.
Galveston, Texas 77550

PAID

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 volume and page of the named records of Galveston
County, Texas as stamped hereon by me.



OCT 31 1974
Latimer M. [unclear]
COUNTY CLERK, Galveston County, Texas