

**WOOD RIVER
UNITS 8 & 9**

**COVENANTS AND
RESTRICTIONS**

WOOD RIVER SUBDIVISION
COVENANTS AND RESTRICTIONS
UNITS 8 & 9

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ANNEXATION CERTIFICATE:
SUPPLEMENTAL DECLARATION OF COVENANTS AND RESTRICTIONS

THE PARK AT WOOD RIVER UNIT 8 AND WOOD RIVER UNIT 9
UNITS OF WOOD RIVER
A Planned Residential Development

THIS ANNEXATION CERTIFICATE: SUPPLEMENTAL DECLARATION OF COVENANTS AND RESTRICTIONS ("Declaration"), is made on the date hereinafter set forth by the undersigned ("Declarant").

WITNESSETH:

Declarant is the owner of certain property in Nueces County, Texas, which is more particularly described as THE SURFACE ESTATE ONLY in and to the following property ("Subdivision" and/or "Properties"), to-wit:

THE PARK AT WOOD RIVER UNIT 8, a Planned Residential Development, a Subdivision in the City of Corpus Christi, Nueces County, Texas, as shown by map or plat thereof recorded in Volume 51, Pages 166-167, Map Records, Nueces County, Texas; and

WOOD RIVER UNIT 9, A Planned Residential Development, a Subdivision in the City of Corpus Christi, Nueces County, Texas, as shown by map or plat thereof recorded in Volume 51, Pages 168-169, Map Records, Nueces County, Texas.

There is hereby excepted from the Properties all oil, gas and other minerals in, on and under the Properties; furthermore, each Grantee accepting a Deed, Lease or other instrument conveying the Properties, a portion thereof, or an interest therein, whether or not the same specifically excepts and excludes therefrom the oil, gas and/or other minerals, understands and agrees that such Deed, Lease or other conveyancing instrument shall automatically be deemed to except and exclude therefrom all oil, gas and other minerals in, on and under the interest in the Properties being transferred, unless the inclusion of minerals is specifically set forth herein. It is the intent hereof to reverse the rule of law with respect to the subject Subdivision whereby minerals are automatically included unless specifically excluded, with the intended result being to hereby cause minerals to be automatically excluded unless expressly and specifically included.

Declarant is a successor in interest to Pendaris Corporation, a Texas Corporation ("Pendaris"), which has prepared and initiated a general plan of development of Wood River, involving several phases of development, and consistent with such general plan, Pendaris has previously developed and incorporated within the general plan the following subdivision ("Phases"), to-wit:

(1) Wood River Unit One of Phase I ("Unit 1"), recording a DECLARATION OF COVENANTS AND RESTRICTIONS under Clerk's File No. 136957, Volume 1697, Page 881, Deed Records, Nueces County, Texas (said Declaration and any amendment thereto being collectively referred to herein as the "Master Declaration"); and

(2) Wood River Unit Two of Phase I ("Unit Two"), recording a SUPPLEMENTAL DECLARATION OF COVENANTS AND RESTRICTIONS under Clerk's File no. 178725, Volume 1738, Page 754, Deed Records, Nueces County, Texas (said Supplemental Declaration and any amendments thereto being collectively referred to herein as the "Unit Two Restrictions"); and

(3) Wood River Unit 5 ("Unit 5"), recording an ANNEXATION CERTIFICATE: SUPPLEMENTAL DECLARATION OF COVENANTS AND RESTRICTIONS ANNEXING WOOD RIVER UNIT 5, A UNIT OR WOOD RIVER under Clerk's File No. 319589, Volume 1868, Page 735, Deed Records, Nueces County, Texas (said Supplemental Declaration and any Amendments thereto being collectively referred to herein as the "Unit 5 Restrictions"); and

(4) Wood River Unit 3 - Kinney's Mill ("Kinney's Mill") recording an ANNEXATION CERTIFICATE: SUPPLEMENTAL DECLARATION OF COVENANTS AND RESTRICTION ANNEXING WOOD RIVER UNIT 3 - KINNEY'S MILL, A UNIT OF WOOD RIVER under Clerk's File No. 328473, Volume 1876, page 828, Deed Records, Nueces County, Texas (said Supplemental Declaration and any amendments thereto being collectively referred to herein as the "Kinney's Mill Restrictions"); and

(5) Consistent with the provisions of the Master Declaration, the Association was formed to provide for and promote the health, safety, recreation and welfare of the Owners; and

(6) In accordance with Article III, Section 3(a) of the Master Declaration permitting additional property to become subject to the Master Declaration by the action of "Declarant, its successors and assigns...in its sole discretion," and without requiring the consent of the membership in the Association, Declarant intends and desires hereby to bring within the plan of the Master Declaration the Properties described above.

NOW THEREFORE, Declarant hereby declares that all of the Properties described above shall, except to the extent modified and amended hereby, be held, sold and conveyed subject to the covenants, conditions and restrictions of the Master Declaration; and the covenants, conditions and restrictions (hereinafter collectively referred to as the "Restrictions") contained herein shall, with respect only to the Properties described above, modify and amend the covenants, conditions and restrictions of the Master Declaration; and the following Restrictions are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described Properties or any part thereof, their heirs, successors, personal representative and assigns, and shall inure to the benefit of each Owner thereof.

For value received and to secure payment of the assessments and other sums for which inchoate liens are established pursuant to the terms of the Master Declaration, Declarant conveys the Properties to David Z. Conoly, Trustee, in trust for the benefit of the Association. Declarant warrants and agrees to defend the title to the property. Each Grantee accepting an ownership interest in the Properties, or a portion thereof, shall join in the conveyance set forth herein. This conveyance is for the purpose of confirming the creation and effectiveness of a contractual inchoate lien and is not intended to be an actual present conveyance of title out of Declarant or any Grantee for any other purpose.

Article I (g) of the Master Declaration shall, for purposes of application to the above described Properties, be deleted and in its place the following shall be substituted:

(g) "Common Properties" shall mean and refer to all real property (including the improvements thereto) owned by the Association and/or intended for the common use and enjoyment of the Owners. The initial Common Properties to be unencumbered and owned by the Association are described as follows, to-wit:

THE SURFACE ESTATE ONLY in and to Lot One (1), Block Fifty-one (51), Lot One (1), Block Fifty-two (52) and Lot Two (2), Block Forty-five (45), THE PARK AT WOOD RIVER UNIT 8, a Planned Residential Development, a Subdivision in the City of Corpus Christi, Nueces County, Texas, as shown by map or plat thereof recorded in Volume 51, Pages 166-167, Map Records, Nueces County, Texas.

Article I of the Master Declaration shall, for purposes of application to the above described Properties, be amended by adding the following subparagraph (q):

(q) "Declarant" shall mean and refer to WOOD RIVER ASSOCIATES, INC., a Texas General Partnership, or its designated successors or assigns which shall assume all of the rights and responsibilities of Declarant herein.

Article VI Section 2(a) of the Master Declaration shall be amended to reflect a full maintenance charge for the Properties herein as established and changed from time to time by the Board of Trustees of the Association ("Board"), with one amount per Unimproved Lot, and another amount per Improved Lot. However, unless increased in accordance with Article VI, Section 4 of the Master Declaration, the full maintenance charge shall not exceed \$500.00 per annum.

Article VI of the Master Declaration shall, for purposes of application to above described Properties, be amended by the addition of the following:

Section 11. Subordination of the Lien to Mortgages. The lien for the assessments provided for herein shall be subordinate and inferior to any mortgage, vendor's lien, deed of trust or other security instrument which secures any loan made by any lender to an Owner for any part of the purchase price of any lot and the improvements thereon, if improved, when the same is purchased, or for any part of the cost of constructing, repairing, adding to, or remodeling the Home and appurtenances situated on any Lot to be utilized for residential purposes, and which mortgage, vendor's lien, deed of trust or other security instrument is filed for record prior to the date on which payment of any such charges or assessments become due and payable. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 12. Exempt Property. All properties dedicated to, and accepted by, a local public municipality or authority, and the Common Area shall be

exempt from the assessments created herein. However, no land or improvements devoted to single family occupancy shall be exempt from said assessments.

Pursuant to Article IX Section 1 of the Master Declaration, for purposes of application to the above described Properties, the Board of Trustee's shall serve as the Architectural Control Committee ("Committee").

Article IX Section 6-11 of the Master Declaration shall, for purposes of application to the above described Properties, be deleted.

Article X of the Master Declaration shall, for purposes of application to the above described Properties, be deleted, and in its place the following shall be substituted:

X. BUILDING AND USE RESTRICTIONS

A. Use Restrictions.

(a) Purpose. All Lots in said Subdivision shall be used for single-family dwellings and for no other purpose.

(b) New Materials and Improvements. All improvements of any nature placed on any Lot shall be newly erected on said Lot and no modular, mobile, secondhand or used buildings, or other improvements, shall be moved onto any of said Lots. All materials must be new or substantially the same or better than that which can be produced on the date construction of the improvement commenced and no secondhand or used materials (except for used brick) shall be utilized in the construction of improvements on any lot within the Subdivision, unless the Committee shall expressly approve in writing the proposed use of used construction materials.

(c) Activity. No commercial activity of any nature shall be carried on upon any Lot, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood in the opinion of the Declarant or the Association. No part of said Properties shall be used for the commercial treatment of any contagious or infectious disease, or for the storage of any debilitating substance.

(d) Toilets. No outdoor toilets which service a dwelling shall be placed on any Lot (which shall not prohibit toilets in swimming pool houses and like facilities).

(e) Mineral Exploration. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot.

(f) Signs. No sign of any kind shall be displayed to the public view except one professional sign of not more than five (5) square feet advertising the property for sale (which is intended to prohibit the use of "sold" signs), or signs used by a builder to advertise their property during the construction and initial sales period, except for Builder's Model Homes, which shall be

allowed to have one (1) four foot (4') by four foot (4') sign in front of each Model Home.

(g) Temporary Structures and Outbuilding Apartments. No structure of a temporary nature shall be erected or placed upon any Lot, nor shall any trailer, basement, tent, shack, garage or dwelling, either temporarily or permanently, except as otherwise specifically approved herein. Garages and outbuildings that are appurtenant to a residence may be erected on each Lot upon which a main dwelling has been erected. No garage or outbuilding apartments for rental purposes are permitted on any Lot. All living quarters on any Lot must only be for the bona fide use of the Owner's or occupant's immediate family or servants.

(h) Parking. House trailers, boats, buses, trucks or any vehicle other than a conventional automobile shall be parked within the enclosed garage of such Lot, unless otherwise specifically approved in writing by the Committee. No extensive work on motor vehicles, boats, or machines of any kind shall be permitted outdoors in the subject Subdivision, except as and where approved by the Committee.

(i) Garbage Disposal and Dumping. Dumpsters are absolutely prohibited from being placed on the Properties. Garbage shall be kept in sanitary containers and such containers shall be kept in a clean and sanitary condition. Underground garbage can holders or other devices (designed to prevent unsightly cans being seen from the Street or Common Area) must be approved by the Committee. No trash cans or garbage cans shall at any time or times be permitted to remain on the Street or Common Area, or on the Lots forward of the building line (whether front or back) so that same may be seen by a person using any Street, Common Area, or landscaped easement area in the Subdivision, except for a reasonable period of time (in any event not to exceed twelve (12) hours before and after scheduled trash collection hours) for trash collection purposes. The Association shall have the right and power to determine whether garbage disposal in the Subdivision shall be through public authority or through private garbage disposal service. No Lot shall be used or maintained as a dumping ground for rubbish or trash.

(j) T.V. Aerials. All radio, television or other aerials, satellite receivers or guy wires shall be installed and maintained so as not to be visible from the Street or Common Area. Furthermore, no "ham" radio or "citizens band" antenna (or any other antenna which may interfere with "air-type" reception of other Owners) shall be permitted or allowed in the Properties, unless otherwise previously approved, in writing, by the Committee.

(k) Clothesline. No clotheslines may be placed where they would be visible from the Street or Common Area. Such clotheslines must be enclosed by a hedge or other type screening enclosure as may be approved by the Committee as a part of the plans for the improvements to be located on the Lot.

(l) Animals. No insects, reptiles, poultry or animals of any kind, other than pets of reasonable kind and number ordinarily kept in residential subdivisions, may be kept on any part of the Subdivision. No pets may be kept or bred for commercial or business purposes nor shall they be allowed to run at large within the Subdivision. Should ordinary household pets become a nuisance in the opinion of the Declarant or the Board, they must be removed from the Subdivision.

(m) Utilities and Easements. Except for special Street lighting or other aerial facilities which may be placed on the Properties by Declarant or the Association for the benefit of the Properties, no aerial utility facilities of any type (except surface installations necessary to maintain or operate appropriate underground facilities) shall be erected or installed within the Properties, whether upon Lots, easements, Streets, Common Areas, or rights-of-way of any type, either by the utility company or any other person or entity, (including but not limited to any person owning or acquiring any part of the Properties). All utility service facilities (including but not limited to water, sewer, gas, cable T.V. (if any), electricity and telephone) shall be buried underground, under recreational easements, Common Area, streets, or utility easement areas for the purpose of serving any structure located on any part of the Properties. All surface installations necessary to maintain or operate appropriate underground facilities, equipment, air conditioning compressors and similar items must be visually screened and located in areas designated by the Committee. No structure of any type whatsoever may be erected in any easement area depicted on the subject plat (with the exception of approved perimeter walls and/or fences), and the holders of such easements shall have the right of ingress and egress for the purpose of using and maintaining same.

(n) Window or Wall Lots. No window or wall type air conditioners shall be permitted to be used, placed or maintained on or in any building or in any part of the Properties, without the prior written consent of the Committee.

(o) Further Subdivision. No Lot shall be further subdivided and separated into smaller Lots, and no portion less than all of any such Lot, nor any easement or other interest therein, shall be conveyed or transferred; provided that this provision shall not prohibit deeds of correction, deeds to resolve boundary line disputes and similar corrective instruments, and provided further that this shall not be applicable to Common Area.

(p) Upkeep. The Owner of each Lot in said Subdivision shall be responsible for the proper maintenance and upkeep of such Lot and improvements thereon. Such Owner shall keep any weeds on such Lot neatly mowed, and shall not permit the accumulation of trash, rubbish, deteriorating improvements or other unsightly articles on said Lot or the abutting easements or Streets. The area between the pavement and the Lot line shall also be kept and maintained by the Owner of the abutting Lot. Each Owner shall, at his sole cost and expense, repair his residence and all other improvements located on such Lot, keeping the same in a condition comparable to the condition of such improvements at the time of initial construction, excepting only reasonable wear and tear. In the event an Owner of a Lot shall fail to maintain the Lot, or improvements thereon (including but not limited to the completion of construction thereof), and the landscaping thereon, the Association, after approval by two-thirds vote of the Board, and after thirty (30) days written notice to the Owner, shall have the right, but not the obligation, through its agents, employees, or designees to enter upon said Lot and to repair, maintain, and restore the Lot, and/or improvements thereon, and landscaping thereon. The sums expended by the Association to repair, maintain, and restore a Lot, and/or improvements thereon, shall be added to, and become part of, the assessment of which such Lot is subject and said cost shall be a lien upon said Lot, with the same force, effect and enforcement mechanisms as the liens for other assessments as provided in this Declaration, or the Master Declaration.

B. Size, Design and Placement of Improvements.

(a) Facing. The main dwelling on each Lot shall be constructed to face the Street upon which such Lot fronts.

(b) Height and Floor Area Limitations. No building shall be permitted on any Lot unless it complies with the following:

(1) No dwelling, garage or appurtenant building shall exceed two (2) stories in height.

(2) For all of the Lots in THE PARK AT WOOD RIVER UNIT 8, SAVE AND EXCEPT any Common Area, the enclosed air conditioned ground floor area of the main dwelling of any one-story residence, exclusive of porches, garages (whether attached or detached), patios, breezeways or other appendages, shall contain a minimum of two thousand four hundred (2,400) square feet.

(3) For all of the Lots in THE PARK AT WOOD RIVER UNIT 8, SAVE AND EXCEPT any Common Area, the enclosed air conditioned ground floor area of the main dwelling of any two-story residence, exclusive of porches, garages (whether attached or detached), patios, breezeways or other appendages, shall contain a minimum of one thousand four hundred (1,400) square feet, and the total square footage of such dwelling shall be not less than two thousand four hundred (2,400) square feet.

(4) For all of the Lots in WOOD RIVER UNIT 9, the enclosed air conditioned ground floor area of the main dwelling of any one-story residence, exclusive of porches, garages (whether attached or detached), patios, breezeways or other appendages, shall contain a minimum of two thousand (2,000) square feet.

(5) For all of the Lots in WOOD RIVER UNIT-9, the enclosed air conditioned ground floor area of the main dwelling of any two-story residence, exclusive of porches, garages (whether attached or detached), patios, breezeways or other appendages, shall contain a minimum of one thousand two hundred (1,200) square feet, and the total square footage of such dwelling shall be not less than two thousand (2,000) square feet.

(c) Exterior Walls. Unless prior written approval of a variance is given by the Committee, the exterior walls of each dwelling shall be not less than fifty-one percent (51%) masonry on the ground floor, including, but not limited to, natural stone, brick, stucco or a veneer of any of them. In computing this percentage, all door and window openings and gables shall be excluded from the required area. The percentage masonry exterior wall provision shall apply to the main dwelling. On the remaining portions of the exterior walls, surface areas of the main structure and on any outbuildings, except greenhouses, the material used must be in keeping with the general architectural design of the buildings. No asbestos may be used. Metal buildings, siding, trim or other metal on the exterior of the building are prohibited, unless otherwise approved by the Committee. Installation of all types of exterior items such as address numbers or external ornamentation, lights, mail chutes and exterior paint or stain shall be subject to the prior approval of the Committee.

(d) Roof. Roofs may only be of wood, tile, fiberglass or composition materials, but if fiberglass or composition materials are used, same may not be less than two hundred ninety (290) pound dimension type asphalt or fiberglass shingles. Metal and/or built-up roofs are prohibited unless approved by the Committee.

(e) Foundations. On all main buildings and on all out-buildings, either attached or detached, unless otherwise approved by the Committee, all foundations must be slab-on-grade (of concrete) and must be fully enclosed at the perimeter. Such foundations must be designed, by a professional engineer expert in foundation design, in accordance with the most recent criteria established by the Builders Research and Advisory Board (B.R.A.B) or Post Tension Institute (P.T.I.) or other comparable standard designated by the committee. Each owner shall bear full risk and responsibility for the design of the slab and such slab's suitability in connection with the particular soil conditions then existing, and each owner hereby waives any and all rights and claims against the Declaration with respect to the soil conditions.

(f) Fences or Perimeter Walls. No fence, perimeter wall or hedge shall be erected, placed, altered or maintained on any Lot nearer to the front Lot line than the minimum building setback line shown on the recorded plat of the Properties, or in any event, forward of the front wall line of the main dwelling. All fencing parallel to, facing and abutting any Street (including the side Street in the case of a corner Lot) shall be constructed of the same masonry used in the main dwelling. No fence shall be constructed higher than six feet (6') (unless otherwise approved by the Committee) and shall be subject to approval by the committee. Chain link, hurricane, and like fences are prohibited.

(g) Building Lines. No building, fence or wall shall be constructed on any Lot(s) in said Subdivision nearer the front Lot line than the setback line shown on the plat of the Properties, nor farther away from the front Lot line than the Committee determines to be in harmony with existing buildings in the immediate vicinity. No portion of any main building shall be constructed nearer than six feet (6') to any interior Lot line. The side building lines for all corner lots shall be as indicated on the plat of said Subdivision. No building shall be constructed on any Lot nearer to the side Lot line than the distance herein specified.

(h) Detached Building Locations. Any garage, servants quarters or any outbuilding of any kind detached from the main dwelling shall be located on the rear one-half (1/2) of the Lot, shall be located with reference to the side Lot to conform to the Building Code and Zoning Ordinance of the City of Corpus Christi and shall comply with the rear setback line.

(i) Sight Distances at Intersections. No fence, wall, hedge or shrub which obstructs sight line at elevation shall be placed or permitted to remain on any corner Lot area within the triangular area formed by the Streets, property lines and a line connecting them at points twenty-five feet (25') from the intersection of the Street lines or in the case of a rounded corner, from the intersection of the Street property line extended to intersect. The same sight line limitations shall apply on any Lot within ten feet (10') from the intersection of a Street property line with the edge of a driveway pavement. No trees shall be permitted to remain within the above sight line

of each intersection unless the foliage line is maintained at sufficient height to prevent the obstruction of the above sight line.

(j) Garages. No carports shall be allowed. Each Lot must have a detached or attached automobile garage constructed as a part of any dwelling built thereon for a minimum of two (2) conventional automobiles. The garages and any other accessory buildings shall be constructed so that they shall not face the Street or the Common Area, and each garage shall have a "wrap-around" driveway to same, unless such garage is set back a minimum of fifty feet (50') from the curb of the Street so faced. Notwithstanding the preceding restriction concerning garages facing the Street, all Corner Lots which are not served by an alley may have a garage facing the Street on the side of the Lot, which garage need not be set back a minimum of fifty feet (50') from the curb on the Street. All Lots which are adjacent to an alley shall provide for access to the garage only by way of such alley. No garage shall ever be changed, altered, reconstructed or otherwise converted for any purpose inconsistent with the garaging of vehicles.

(k) Landscaping. Weather permitting, each Lot shall be fully landscaped within ninety (90) days from the date the Home located thereon is occupied. In the event of noncompliance herewith, Declarant and/or the Association may provide and plant the required landscaping for the account of the Owner of said Lot, and the Association shall be entitled to reimbursement of the amount of any reasonable expenses so incurred (including a reasonable charge for labor) from the Lot Owner for whose account and benefit such maintenance and upkeep was performed. In the event Declarant expended same, then the Association shall immediately reimburse Declarant, and then collect same from the Lot Owner. Such cost, together with interest thereon, attorney's fees and other related costs, shall be added to and become a part of the assessment to which each Lot is subject, shall result in a lien therefor, and shall be enforced as provided herein for enforcement of assessment liens. The digging of dirt or removal of any dirt from any Lot or from any portion of the properties is prohibited, except in conjunction with landscaping or construction of improvements thereon.

(l) Tennis courts. No tennis court lighting shall be constructed or placed upon any Lot, unless otherwise approved by the Committee.

(m) Swimming Pool Equipment. All pool or pool service equipment shall be located either, (a) in a side yard between the front and rear boundaries of the main dwelling, or (b) in the rear yard directly abutting and adjacent to the main dwelling. In addition, this equipment must be visually screened by a solid masonry wall or wood fence of approved type and construction. On a case by case basis the Committee may allow the Lot Owners to locate the pool deck within fifteen feet (15') of the Common Area at the rear of the Lot; provided however, such equipment must be adjacent to the main dwelling and screened on three (3) sides by a solid masonry wall of the same material as the main dwelling or, if approved by the Committee, by wood fencing. The wall of the main dwelling shall serve as one side of the screening walls. One of the screening walls shall visibly screen the equipment from the Common Area. All screening walls shall be fully landscaped with landscaping of a type, quality and quantity approved by the Committee.

(n) Screening. All service and sanitation facilities must be enclosed within fences, walls, and/or landscaping so as not to be visible from the

immediate residential Street or the Common Area. The Committee may, in its reasonable discretion, permit Lot Owners to place additional lattice-work screening or other decorative screening on the subject Lots for the purpose of screening public view of hot-tubs, sun bathing areas, servicing equipment, etc.

(o) Pre-Wiring for Security System. Each dwelling shall include the installation of the wiring necessary to connect the subject residential structure to a centralized Security System, and shall include "pre-wiring" and "trimout" for all "movable openings." Twelve (12) conductor wires shall be installed next to light switches at the front door and at the door between the garage and living area. All wires shall run to a central location to be determined by the builder and/or architect (and designated on the plans and specifications) for possible future installation of a central security panel. A telephone wire must be installed to the central panel location.

The Master Declaration shall, for purposes of application to the above described Properties, be amended by deleting Article XII and be amended by adding the following:

XII. ASSOCIATION POWERS AND RESPONSIBILITIES

1. Powers. The business of the Association shall be conducted by its Board of Trustees ("Board"). The Association shall have the power and authority to do the following:

(a) To deal with the Common Area as the Owner thereof, except as specifically limited hereby;

(b) To borrow funds to pay costs of operation, secured by assignment or pledge of rights against delinquent owners;

(c) To enter into contracts (including but not limited, to management contract with professional management companies for maintenance of Association properties, contract for refuse collection and contracts for cable or master television service, if any), maintain more than one bank account and, generally, to have all powers necessary or incidental to the operation and management of the Association;

(d) To make reasonable rules and regulations for the operation of the Association and Common Area, and to amend same from time to time;

(e) To protect and/or defend the Common Area from loss or damage, by suit or otherwise. To sue or defend it in any court of law and to provide adequate reserves for repairs and replacements;

(f) To grant easements, rights-of-way, or strips of land, where necessary, for utilities over, on or under the Common Area to serve the Common Area, Lots and/or Homes thereon;

(g) To determine, in its sole discretion, if it should pay real property ad valorem taxes or other taxes or liens as to Common Area which are assessed against Lot Owners, if any;

(h) To construe and interpret the provisions of this Declaration, and in the absence of an adjudication by a court of competent jurisdiction to the contrary, the Board's construction or interpretation shall be final and binding as to all persons or property benefitted or bound by the provisions hereof; any conflict between any construction or interpretation of the Board or any other person or entity entitled to enforce the provisions hereof shall be resolved in favor of the construction or interpretation of the Board; and

(i) To indemnify and hold harmless its Board, Officers, Employees and/or Agents from all liability in connection with such capacities.

2. Responsibilities. The Association shall discharge the responsibilities set forth below at such time, and in such manner, as the Board shall deem appropriate. Any such responsibilities undertaken by Declarant on behalf of the Association shall entitle the Declarant to reimbursement from the Association, either at the time of the undertaking, or as soon as funds are available therefor.

(a) General. The Association shall govern, operate, control and manage the Lots, Homes and Common Areas within the Subdivision pursuant to the terms and provisions of this Declaration. The Association shall at all times pay the Real Property ad valorem taxes and any other taxes on the Common Area if said taxes are billed to the Association (as distinguished from being billed to the Owners) and shall pay any governmental liens assessed against the Common Area. The Association shall further have the obligation and responsibility for the hiring of certain personnel and for the maintenance, repair, upkeep and replacement of Common Area (including facilities and landscaping thereon).

(b) Sprinkler System and Landscaping. Maintain, repair and replace sprinkler and other systems, including but not limited to pumps, pipes, and sprinkler heads, and landscaping which is installed for the purpose of enhancing the beauty of the development. The foregoing includes paying the cost of water for the systems, where applicable, and the electricity used in connection with the pumps which are part of such systems, where applicable. It is understood that should the applicable governmental authority or its designee make any repairs within such rights-of-way, and such repairs cause damage to the systems or landscaping within such rights-of-way, the cost of the repair and replacement of such landscaping and systems shall be borne solely by the Association, so long as such damages were reasonably necessary for the repairs to be properly made.

3. Lot or Home Upkeep. In the event an Owner of a Lot shall fail to maintain the Lot, or improvements thereon, and the landscaping thereon, the Association, after approval by two-thirds (2/3) vote of the Board, and after thirty (30) days written notice to the Owner, shall have the right, but not the obligation, through its agents, employees, or designees to enter upon said Lot and to repair, maintain, and restore the Lot, and improvements thereon, and landscaping thereon. The sums expended by the Association to repair, maintain, and restore a Lot, and improvements thereon, shall be added to, and become part of, the assessment to which such Lot is subject and said cost shall be a lien upon said Lot, with the same force, effect and enforcement mechanisms as the liens for other assessments as provided in this Declaration.

4. Right to Transfer Functions. The Association shall be entitled to contract with any corporation, firm, person, or other entity for the performance of the various duties imposed on the Association hereunder, and the performance by any such entity shall be deemed the performance of the Association hereunder. The Board, where specifically authorized herein to act, shall have the right to construe and interpret the provisions of this Declaration, and in the absence of an adjudication by a court of competent jurisdiction to the contrary, its construction or interpretation shall be final and binding as to all persons or property benefitted or bound by the provisions hereof. Any conflict between any construction or interpretation of the Board or any other person or entity entitled to enforce the provisions hereof shall be resolved in favor of the construction or interpretation of the Board. In granting any permit, authorization, or approval, as herein provided, the Board may impose any conditions or limitations thereon as it shall deem advisable under the circumstances in each case. Upon a merger or consolidation of the Association with another association, the Association's 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 subject Properties together with the covenants and restrictions established upon any other properties as one scheme. No such merger or consolidation, however, shall effect any renovation, change or addition to the Restrictions established by this Declaration except as provided herein.

XIII. INSURANCE

1. Physical Damage Insurance. The Association shall obtain fire and extended coverage insurance for no less than one hundred percent (100%) of the replacement cost (based on insurable value) of the Common Area having an insurable value. The policy shall name as the insured the Association. All hazard insurance proceeds for losses to any Common Area must be used for the repair, replacement or reconstruction of the Common Area.

2. Public Liability Insurance. The Association shall obtain Comprehensive General Liability Insurance with Broad Form Comprehensive General Liability endorsement (this may be included in a multi-peril package if so desired), Directors and Officers Liability Insurance, and Hired Car, Employee Nonowner Automobile Liability Insurance with limits in the amount not less than those limits required as "Underlying Limits of Liability" to purchase an Umbrella Policy. Furthermore, the Association shall purchase an Umbrella Policy protecting the Association, the Board, Officers, Employees and/or Agents of such Association, in a combined single limit amount of not less than ONE MILLION DOLLARS (\$1,000,000.00), or such other comparable insurance as the Association deems desirable. The Association shall also include coverage for individual Owners for occurrences on the Property, except for areas reserved for the exclusive use and occupancy of such Owner. Premiums for Public Liability insurance shall be part of the common expense payable out of annual assessments provided herein. Any insurance policy obtained pursuant to this section shall contain a "severability of interest" clause or endorsement which shall preclude the insurer from denying the claim of an Owner because of negligent acts of the Association or other Owners, and just provide for at least ten (10) days' written notice to the Association before the insurer can

cancel or substantially modify it. Each Owner shall be responsible for his own personal liability for areas within the exclusive use and occupancy of such Owner.

3. Limitations on Hazards. Under no circumstances shall an Owner permit or suffer anything to be done or left on the Properties which will increase the insurance rate on the Common Area.

4. Repair or Reconstruction After Fire or Other Casualty.

(a) In the event of any injury or damage to or destruction of any part of the improvements on the Common Area as a result of fire or other casualty covered by insurance, the Association shall arrange for the repair and restoration of the improvements in accordance with the original plans and specifications (except as modified to changed building requirements or conditions), if any, and the Association shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration, in appropriate progress payments.

(b) If such insurance indemnity or proceeds collected shall exceed the total cost of such reconstruction or repair, then unless the contract of insurance or the Bylaws, as existing or as may be hereafter amended, shall specify otherwise, the Association shall retain such excess in the Common Fund.

(c) Where the insurance indemnity is insufficient to cover the cost of reconstruction, and reconstruction is required as provided for herein, the building or reconstruction costs in excess of the insurance proceeds shall be paid by the Association from the Common Fund, and in the event the Common Fund is inadequate to cover such cost, such inadequacy shall be paid for by all Owners by a special assessment in proportion to their respective interests, as set forth in this Declaration.

(d) With respect to the allocation of sums required to be paid within the limits of the deductible portion of insurance policies, the party causing the damage shall be responsible for such deductible amount, whether or not caused by the negligence or fault of such party.

5. Flood Insurance. If any part of the Common Area is in a special flood hazard area (as defined by the Federal Emergency Management Agency) the Association shall maintain a "master" or "blanket" policy of flood insurance, if available, and if not available, the Association shall maintain specific insurance on any building, its contents, or other improvement, if and as available, and the premiums shall be paid as a common expense. The policy shall cover any Common Area buildings and any other common property. The amount of insurance should be at least equal to the lesser of the following:

(a) One hundred percent (100%) of the current replacement cost of all buildings and other insurable property located on the Common Area in the flood hazard area; or

(b) The maximum coverage available for such property under the National Flood Insurance Program.

6. Fidelity Bonds. The Association shall obtain Blanket Fidelity Bonds for anyone who either handles or is responsible for funds held or administered by the Association, whether or not they receive compensation for their services. The Association shall require any management agent who handles funds for the Association to also obtain its own Fidelity Bond. Except for fidelity bonds that a management agent obtains for its personnel, all other bonds should name the Association as an obligee and should have their premiums paid as a common expense by the Association. The Fidelity Bond should cover the greater of (1) the maximum funds that will be in the custody of the Association or its management agent at any time while the bond is in force, or (2) an amount at least equal the sum of three (3) months' assessments on all the Properties, plus the Association's reserve funds. In no event shall the amount of the bond ever be less than one and one-half times the insured's estimated annual operating expenses and reserves. The bonds must include a provision that calls for ten (10) days' written notice to the Association before the bond can be canceled or substantially modified for any reason.

7. Other Insurance. The Association shall have the authority to procure whatever other forms or types of insurance it deems desirable.

XIV. CONDEMNATION

If all or any part of the Property is taken or threatened to be taken by eminent domain or by power in the nature of eminent domain (whether permanent or temporary), the Association, with respect only to the Common Area and Common Facilities, and each Owner, with respect to such Owner's Lot(s), shall be entitled to participate in proceedings incident thereto at their respective expense. The Association shall give timely written notice of the existence of such proceeding (which concerns the Common Area or Common Facilities) to all Owners and to all First Mortgagees known to the Association to have an interest in any of the Lots. The expense of participation in such proceedings by the Association shall be borne by the Common Fund. The Association is specifically authorized to obtain and pay for such assistance from attorneys, appraisers, architects, engineers, expert witnesses and other persons as the Association in its discretion deems necessary or advisable to aid or advise it in matters relating to such proceedings. All damages or awards for any such taking shall be deposited with the Association and such damages or awards shall be paid into the Common Fund.

XV. PLAT CLARIFICATION

The plat ("Plat") of THE PARK OF WOOD RIVER UNIT 8 contains a Lot Nine (9), Block Forty-Seven (47), which consists of 20,884 square feet, being comprised of a rectangular tract and a triangular tract, both tracts together constituting Lot Nine (9), Block Forty-Seven (47). The purpose of this provision is simply to clarify the situation in order that no confusion exists with respect thereto.

XVI. LIENHOLDER RATIFICATION AND PROTECTION

1. Ratification. The owner and holder (whether one or more) of the only liens(s) covering the Properties has executed this Declaration to evidence its joinder in, consent to, ratification of and subordination (except to the liens created herein) to the imposition of the foregoing Restrictions. No violation of any of these Restrictions shall defeat or render invalid the lien of any

mortgage made in good faith and for value upon any portion of the Properties; providing however, that any mortgagee in actual possession, or any purchaser at any mortgagee's foreclosure sale, shall be bound by and subject to these Restrictions as fully as any other Owner of any Portion of the Properties.

2. Notices. Notwithstanding anything contained herein to the contrary, upon written request, the holder, insurer or guarantor of a mortgage on any Lot shall be given written notice by the Association, (provided such holder, insurer or guarantor has furnished the Association with written notice of its name, address, and the property securing same) of any one or more of the following:

(a) Any condemnation or casualty loss that affects either a material portion of the Properties or the Lot securing its mortgage;

(b) Any sixty (60) day delinquency in the payment of assessments or charges owed by the Owner of any Lot on which it holds the mortgage;

(c) A lapse, cancellation or material modification of any insurance policy or Fidelity Bond maintained by the Association; and

(d) Any proposed action that requires the consent of a specified percentage of eligible mortgage holders.

3. Mortgagee Payment of Taxes, Insurance and Other Charges.

The first mortgagees of Lots may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any Common Area and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for such Common Area, and the mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

4. Termination of PUD Status. Either, (1) Declarant, acting alone during the Annexation Period, or (2) Owners representing two-thirds (2/3) of the votes with the approval of eligible mortgage holders representing at least two-thirds (2/3) of the votes of the mortgaged Lots, can terminate the PUD status or the "Common Area" status of the Properties for reasons other than substantial destruction or condemnation of the Properties.

Dated this 2nd day of October, 1986.

(signatures on original)

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