WOOD RIVER
UNIT ONE PHASE 1

COVENANTS AND RESTRICTIONS

DECLARATION OF COVENANTS AND RESTRICTIONS
FOR
WOOD RIVER
UNIT ONE PHASE I
(A Residential Subdivision)

This is the Master Declaration. All subsequent Units of Wood River are bound by this instrument unless specifically changed in that Unit's Supplemental Declaration. The first part of the document contains statements that Pendaris Corporation is creating the subdivision, forming a non-profit corporation to administer the commons areas and states the general purpose of creating the covenants and restrictions. It subjects all described properties to the terms and conditions of these restrictions, covenants, easements, charges and liens. For ease of reading and reproducing, some of the provisions that have expired have been omitted. The full instrument is available from the Nueces County Clerk. A copy of the recorded instrument is in the Association's office at 4033 Wood River Drive.

ARTICLE I

Definitions

The following words, when used in this Declaration shall have the following meanings (unless the context shall prohibit):

(a) "Association" shall mean and refer to the non-profit corporation which Declarant shall cause to be incorporated as herein provided, its successors and assigns.

(b) "The Subdivision" shall mean and refer to Wood River, Unit One of Phase I, all subsequent sections of Wood River brought within the plan of this Declaration, and any other real property (including specifically, but without limitations, all or portions of other subdivisions being or to be developed by Declarant or affiliated or subsidiary entities) brought within the plan of this Declaration.

(c) "The Properties" shall mean and refer to the property or properties described in Article III hereof which are subject to this Declaration.

(d) "Subdivision Plats" shall mean and refer to the map or plat of Wood River, Unit One of Phase I, recorded in Volume 44, Page 180-182, of the Map or Plat Records of Nueces County, Texas, and any map or plat of any other section of Wood River and any other real property brought within the plan of this Declaration.

(e) "Lot" and/or "Lots" shall mean and refer to each of the lots shown upon the Subdivision Plats. References herein to "the Lots (each Lot) in The Subdivision" shall mean and refer to Lots as defined respectively in this Declaration and all Supplemental Declarations.

(f) "Living Unit" shall mean and refer to any single-family residential unit, including, without limitation, townhouses, row-houses and condominium units, located on property which may be

brought within the plan of this Declaration. References to Living Units herein shall not be deemed to permit the use of any Lot in the Properties for any purpose other than single-family residential purposes unless expressly permitted in this Declaration or in any Supplemental Declaration. References herein to "the Living Units in the Subdivision" shall mean and refer to Living Units as defined respectively in this Declaration and all Supplemental Declarations.

(g) "Common Properties" shall mean and refer to all those areas of land within the Properties as shown on the Subdivision Plats, except the Lots and the streets shown thereon, together with such other property as the Association may, at any time or from time to time, acquire by purchase or otherwise, subject, however, to the easements, limitations, restrictions, dedications, and reservations applicable thereto by virtue hereof and/or by virtue of the Subdivision Plats, and/or by virtue of prior grants or dedications by Declarant or Declarant's predecessors in title. References herein to "the Common Properties in The Subdivision" shall mean and refer to Common Properties as defined respectively in this Declaration and all Supplemental Declarations.

(h) "Common Facilities" shall mean and refer to all existing and subsequently provided improvements upon or within the Common Properties, except those as may be expressly excluded herein. Also, in some instances, Common Facilities may consist of improvements for the use and benefit of all Owners constructed on portions of one or more Lots or on acreage owned by Declarant (or Declarant and others) which is not a part of the Properties. By way of illustration, Common Facilities may include, but not necessarily be limited to, the following: structures for recreation, storage or protection of equipment; fountains, statuary, sidewalks; common driveways; landscaping; swimming pools; tennis courts and other similar and appurtenant improvements. References herein to "the Common Facilities (any Common Facility) in the Subdivision" shall mean and refer to Common Facilities as defined respectively in this Declaration and all Supplemental Declarations.

(i) "Supplemental Declaration" shall mean and refer to any Supplemental Declaration of Covenants and Restrictions bringing additional property within the plan of this Declaration under authority provided in Article III hereof. References herein (whether specific or general) to provisions set forth in "all (any) Supplemental Declarations" shall be deemed to relate to the respective properties covered by such Supplemental Declarations.

(j) "Owner" shall mean and refer to the record owner, or if such Lot is subject to a term purchase contract with Declarant, to the contract purchaser, whether one or more persons or entities, of the fee simple title to any Lot situated upon the Properties, but, notwithstanding any applicable theory of the mortgage, shall not mean or refer to any mortgagee unless and until such mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure. References herein to "the Owners in The Subdivision" shall mean and refer to Owners as defined in this Declaration and all Supplemental Declarations. In one or more Supplemental Declarations, if appropriate, "Owner" may be defined by reference to ownership of a Living Unit, rather than by reference to ownership of a Lot.

(k) "Member" and/or "Members" shall mean and refer to all those Owners who are members of the Association as provided in Article IV, Section 4 hereof, together with all the Owners in The Subdivision who are members of the Association as provided in all Supplemental Declarations. In

one or more Supplemental Declarations, if appropriate, "Member" may mean and refer to an Owner of a Living Unit, and the voting rights of such Member shall relate to his ownership of such Living Unit.

(l) "Maintenance" shall mean the exercise of reasonable care to keep buildings, roads, landscaping, lighting, and other related improvements and fixtures in a condition comparable to their original condition, normal wear and tear excepted. Maintenance of landscaping shall further mean the exercise of generally accepted garden management practices necessary to promote a healthy, weed-free environment for optimum plant growth.

(m) "Mortgage" shall mean a conventional mortgage or a deed of trust.

(n) "Mortgagee" shall mean a holder of a conventional mortgage or a beneficiary under or holder of a deed of trust.

(o) "Board of Trustees" shall mean the Board of Trustees of the Association.

(p) "Builder" shall mean any person, firm, corporation, or other entity who is engaged in the business of building residential structures for sale or rental purposes, and not for his or its personal use or occupancy.

ARTICLE II

Easements and Property Rights

Section 1. Existing Easements. The Subdivision Plats dedicate for use as such, subject to the limitations set forth therein, certain streets and easements shown and provided for thereon, and such Subdivision Plats further establish dedications, limitations, reservations and restrictions applicable to the Properties. Further, Declarant and Declarant's predecessors in title have heretofore granted, created and dedicated by several recorded instruments, certain other easements and related rights affecting the Properties. All dedications, limitations, restrictions and reservations shown on the Subdivision Plats and all grants and dedications of easements and related rights heretofore made by Declarant and Declarant's predecessors in title affecting the Properties are incorporated herein by reference and made a part of this Declaration for all purposes, as if fully set forth herein, and shall be construed as being adopted in each and every contract, deed or conveyance executed or to be executed by or on behalf of Declarant conveying any part of the Properties.

Section 2. Title to Easements and Appurtenances Not Conveyed. Title to any Lot conveyed by Declarant by contract, deed, or other conveyance shall not be held or construed in any event to include the title to any roadways or any drainage, water, gas, sewer, storm sewer, electric light, electric power, telegraph or telephone way, or any cable (and easement therefor) for security and/or television and other communications, or any pipes, lines, poles, or conduits on or in any utility facility or appurtenances thereto, constructed by or under Declarant or its agents through, along or upon any Lot or any part thereof to serve said Lot, or any other portion of the Properties, and the right to maintain, repair, sell or lease such appurtenances to any municipality

or other governmental agency or to any public service corporation or to any other party is hereby expressly reserved in Declarant.

Section 3. Installation and Maintenance. There is hereby created an easement upon, across, over and under all of the Properties for ingress and egress in connection with installing, replacing, repairing, and maintaining all utilities, including, but not limited to, water, sewer, telephones, cable for security and/or television and other communications, electricity, gas and appurtenances thereto. By virtue of this easement, it shall be expressly permissible for the utility companies and other entities supplying service to install and maintain pipes, wires, conduits, service lines, or cable for security and/or television and other communications, or other utility facilities or appurtenances thereto, on, above, across and under the Properties within the public utility easements from time to time existing and from service lines situated within such easements to the point of service on or in any structure. Notwithstanding anything contained in this paragraph, no sewer, electrical lines, water lines, or cable for security and/or television and other communications, or other utilities or appurtenances thereto may be installed or relocated on the Properties until approved by Declarant or the Association's Board of Trustees. The utility companies furnishing service shall have the right to remove all trees situated within the utility easements from time to time existing, and to trim overhanging trees and shrubs located on portions of the Properties abutting such easements.

Section 4. Emergency and Service Vehicles. An easement is hereby granted to all police, fire protection, ambulance and other emergency vehicles, and to garbage and trash collection vehicles, and other service vehicles to enter upon the Properties in the performance of their duties. Further, an easement is hereby granted to the Association, its officers, agents, employees, and management personnel to enter upon the Properties to render any service or perform any of its functions; and such easements, reservations, and rights of way shall at all times be open and accessible to Declarant, its successors and assigns, all of whom shall have the right and privilege of doing whatever may be necessary in, on, under, and above such locations to carry out any of the purposes for which such easements, reservations and rights of way are reserved.

Section 5. Surface Areas. No dwelling unit or other structure of any kind shall be built, erected, or maintained on any such easement, reservation or right of way. The surface of the easement areas may be used for planting of shrubbery, trees, lawns, or flowers. However, neither the Declarant nor any supplier of any utility or service using any easement area shall be liable to any Owner or to the Association for any damage done by them or either of them, or their respective agents, employees, servants or assigns, to any of the aforesaid vegetation as a result of any activity relating to the construction, maintenance or repair of any facility in any such easement area. Further neither the Declarant or any supplier of any utility or service using any easement area shall be liable to the Owner or the Association for any damage done by them, or either of them, or their respective agents, employees, servants or assigns, to any sidewalks, driveways, fences, walls or any other object occupying any such easement or any portion thereof, as a result of any activity relating to the construction, maintenance or repair of any facility in any such easement area.

Section 6. Easements of Encroachment. There shall exist reciprocal appurtenant easements as between adjacent lots and between each lot and any portion or portions of the Common

Properties adjacent thereto for any encroachment due to the unwillful placement, settling, or shifting of the improvements constructed, re-constructed or altered thereon, provided such construction, re-construction, or alteration is in accordance with the terms of this Declaration. Such easement shall exist to a distance of not more than one foot as measured from any point on the common boundary between adjacent lots, and between each lot and any adjacent portion of the common area, along a line perpendicular to such boundary at such point. No easement for encroachment shall exist as to any encroachment occurring due to the willful conduct of an owner.

Section 7. Right of Entry. The Association, through its duly authorized employees and contractors, shall have the right after reasonable notice to the owner thereof, to enter any lot at any reasonable hour on any day to perform such maintenance as may be authorized herein.

Section 8. No Partition. There shall be no judicial partition of the Common Properties, nor shall Declarant, nor any Owner nor any other person acquiring any interest in the Subdivision or any part thereof, seek judicial partition thereof.

ARTICLE III

Property Subject to This Declaration

This Article gives the legal description of the land comprising Wood River. It contains an oil, gas and mineral reservation section. It also outlines procedures for bringing additional lands into the subdivision and subjecting them to the terms of the deed restrictions.

ARTICLE IV

The Association

Section 1. Organization. The Declarant shall cause the Association to be organized and formed as a non-profit corporation under the laws of the State of Texas.

Section 2. Purpose. The purpose of the Association in general shall be to provide for and promote the health, safety, recreation and welfare of the Members, to collect the annual maintenance charges, to administer the Maintenance Fund, to provide for the maintenance, repair, preservation, upkeep, and protection of the Common Properties and Common Facilities in The Subdivision and such other purposes as are stated in the Articles of Incorporation consistent with the provisions of this Declaration and all Supplemental Declarations.

Section 3. Trustees. The Association shall act through a five (5) member Board of Trustees, which shall manage the affairs of the Association. The initial Trustees of the Association shall be selected by Declarant. Each initial Trustee shall serve for an initial term of up to, but no more than ten (10) years, as provided in the original Articles of Incorporation of the Association, and, thereafter, until his successor is duly elected and qualified. After the expiration of the said initial term of the initial Trustees, the Members shall elect a Board of Trustees as provided for in the Articles of Incorporation and the Bylaws. Any vacancy, from whatever cause, occurring in the

Board of Trustees during the said initial term shall be filled by appointment made by the Declarant, or the Declarant may delegate such duty to the remaining Trustee or Trustees. The person so appointed to fill such vacancy shall serve for the remainder of the said initial term and, thereafter, until his successor is duly elected and qualified. Any trustee appointed for all or a portion of the said initial term on the Board may be removed by Declarant, with or without cause. The Trustees shall have the power to select one or more advisory trustees from the residents of The Subdivision to serve for such periods of time as the Board of Trustees shall deem appropriate, for the purpose of providing advice and counsel to the Board of Trustees, provided that such advisory trustees shall have no right to act on behalf of the Association.

Section 4. Members. Each Owner, whether one or more persons or entities, of a Lot or a Living Unit in The Subdivision, whichever should be the case, shall, upon and by virtue of becoming such Owner, automatically become a Member of the Association and shall remain a Member thereof until his ownership ceases for any reason, at which time his membership in the Association shall automatically cease. Membership in the Association shall be appurtenant to and shall automatically follow the legal ownership of each Lot and/or Living Unit in The Subdivision and may not be separated from such ownership. Whenever the legal ownership of any Lot or Living Unit in The Subdivision passes from one person to another, by whatever means, it shall not be necessary that any instrument provide for transfer of membership in the Association, and no certificate of membership will be issued.

Section 5. Voting Rights (a) The Association shall have two classes of voting membership:

Class A. Class A Members shall be all the Members of the Association, with the exception of the Declarant. Class A Members shall be entitled to one vote for each Lot or Living Unit in The Subdivision in which they hold the interest required for membership by this Declaration or any Supplemental Declaration. When more than one person holds such interest or interests in any such Lot or Living Unit, all such persons shall be Members, and the vote for such Lot or Living 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 Living Unit.

Class B. CLASS B MEMBERSHIP WAS HELD BY THE DEVELOPER AND HAS EXPIRED UNDER THE TERMS OF THIS ARTICLE.

Section 6. Title to Common Properties. THIS SECTION CONTAINS PROVISIONS FOR TRANSFERRING TITLE TO COMMON PROPERTIES AND COMMON FACILITIES TO THE ASSOCIATION.

ARTICLE V

Property Rights in the Common Properties and Common Facilities

Section 1. Members' Easements of Enjoyment. Subject to the provisions of Section 2 of this Article V, every Member shall have a common right and easement of enjoyment in and to the Common Properties and Common Facilities in The Subdivision, and such right and easement shall

be appurtenant to and shall pass with the title to each Lot or Living Unit in The Subdivision.

Section 2. Extent of Members' Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

(a) The right of the Association in its discretion, to charge reasonable admission and other fees (including, without limitation, guest fees) for the use of the recreational facilities located on all Common Properties in The Subdivision, and to make, publish, and enforce reasonable rules and regulations governing the use and enjoyment of such Common Properties and Facilities or any part thereof, all of which reasonable rules and regulations shall be binding upon, complied with, and observed by each Member. These rules and regulations may include provisions to govern and control the use of such Common Properties and Facilities by guests or invitees of the Members, including, without limitation, the number of guests or invitees who may use such Common Properties and Facilities or any part thereof at the same time; and

(b) The right of the Association to grant or dedicate easements in, on, under or above such Common Properties or any part thereof to any public or governmental agency or authority or to any utility company for any service to The Subdivision or any part thereof; and

(c) The right of the Association to transfer title to any storm sewer line, sanitary sewer line, water line, or any other utility facility or equipment situated in any part of such Common Properties and owned by the Association to any public or political authority or agency or to any utility company rendering or to render service to The Subdivision or any part thereof; and

(d) The right of the Association to convey or dedicate such portions of such Common Properties as its Board of Trustees may deem appropriate to governmental authorities, political subdivisions or other persons or entities for use as the location of schools, churches, and hospitals or for other similar purposes related to the health, safety, and welfare of the Members; and

(e) The right of the Association to enter into management and/or operating contracts or agreements relative to the maintenance and operation of such Common Properties and Facilities in such instances and on such terms as its Board of Trustees may deem appropriate; the right of the Association to operate recreational facilities and related concessions located on such Common Properties; the right of the Association to enter lease agreements or concession agreements granting leasehold, concession, or other operating rights relative to recreational facilities located on such Common Properties
in such instances and on such terms as its Board of Trustees may deem appropriate:

(f) The right of the Association to suspend the voting rights of a Member or his right to use any recreational facility located on such Common Properties during the period he is in default in excess of thirty (30) days in the payment of any maintenance charge assessment against his Lot or Living Unit; and to suspend such rights for a period not to exceed seven hundred thirty (730) days for any infractions of its published rules and regulations; and the aforesaid rights of the Association shall not be exclusive, but shall be cumulative of and in addition to all other rights and remedies which the Association may have in this Declaration and Supplemental Declarations or in its Bylaws or at law or in equity on account of any such default or infraction; and

(g) The rights and easements existing, herein created or hereafter created in favor of others, as provided for in Article II of this Declaration and the Supplemental Declarations; and

(h) The restrictions as to use of the Common Properties provided for in Article X hereof.

Section 3. Delegation of Use. Any Member may delegate his right of use and enjoyment of the Common Properties and Common Facilities in The Subdivision, together with all easement rights granted to Members in this Declaration and all Supplemental Declarations, to the members of his family, his tenants, contract purchasers who reside on his Lot or in his Living Unit, or subject to the terms of Sections 2(a), above, to guests temporarily occupying a Living Unit or a residence situated on a Lot. The term "Member" is further defined to include and refer to the executors, personal representatives and administrators of any Member, and all other persons, firms, or corporations acquiring or succeeding to the title of the Member by sale, grant, will, foreclosure, execution, or by any legal process, or by operation of law, or in any other legal manner.

ARTICLE VI

Annual Maintenance Charge

Section 1. The Maintenance Fund.

(a) All funds collected by the Association from the maintenance charge provided for in this Article, together with (i) all funds collected by Association from the annual maintenance charge imposed on the Lots or Living Units in The Subdivision by all Supplemental Declarations, and (ii) all fees collected by the Association under Sections 2(a) of Article V, above, shall constitute and be known as the "Maintenance Fund." The Maintenance Fund shall be held, used, and expended by the Association for the common benefit of all Members for the following purposes, to-wit: to promote the health, safety, recreation, and welfare of the Members, including, without limitation, the following:

(1) The installation, construction, erection and relocation of improvements related to the enhancement and beautification of the Common Properties and Common Facilities in The Subdivision, and any other areas provided by this Declaration or any Supplemental Declaration to be developed or maintained by the Association, such as shrubbery, trees, walkways and street lights, and the construction, repair, maintenance and replacement of properties, services, improvements and facilities devoted to such purposes and related to the use and enjoyment of The Subdivision by the Members;

(2) Water, sewer, garbage, electrical, lighting, telephone, gas, and other necessary utility service for the Common Properties and Common Facilities;

(3) Acquisition of furnishings and equipment for the Common Properties and Common Facilities as may be determined by The Association, including without limitation all equipment, furnishings and personnel necessary or proper for use of the recreation facilities;

(4) Fire insurance covering the full insurable replacement value of the Common Properties and Common Facilities with extended coverage;

(5) Liability insurance insuring the Association against any and all liability to the public, to any Owner, or to the invitees or tenants of any Owner arising out of their occupation and/or use of the Common Properties and Common Facilities. The policy limits shall be set by the Association, and shall be reviewed at least annually and increased or decreased in the discretion of the Association;

(6) Workmen's compensation insurance to the extent necessary to comply with applicable law, and any other insurance deemed necessary by the Board of Trustees of the Association;

(7) A standard fidelity bond covering all members of the Board of Trustees of the Association and all other employees of the Association in an amount to be determined by the Board of Trustees.

(8) Any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alteration, insurance, taxes, or assessments which the Association is required to secure or pay pursuant to the terms of this Declaration or by law, or which shall be necessary or proper in the opinion of the Board of Trustees of the Association for the operation of the Common Properties and Common Facilities, for the benefit of lot owners, or for the enforcement of these restrictions;

(9) In addition to maintenance of the Common Properties and Common Facilities, the Association may provide exterior maintenance on any Lot in the event the need for maintenance or repair is attributable to the Owner's failure to maintain, or that of his family, guests, or invitees, and such maintenance or repair is not accomplished within ten (10) days following written notice from the Association to the Owner. In that event the cost
of such maintenance or repairs shall be added to and become part of the assessment to which such Lot is subject.

(b) In the event Declarant shall designate Common Facilities for the use and benefit of all the Owners in the Subdivision which are situated on property owned by Declarant (or affiliated or subsidiary entities), but which then has not been brought within the plan of this Declaration under the authority provided in Article III hereof, the Association shall have the right and authority to allocate and expend such amounts from the Maintenance Fund for repair, maintenance, upkeep, beautification, improvement or replacement of such Common Facilities as its Board of Trustees shall determine, in its sole discretion. Further, if all or any such Common Facilities situated on property then not subject to the plan of this Declaration also are for the use and benefit of persons or entities other than the Owners in the Subdivision, the Association shall have the right and authority to enter agreements with other persons or entities enjoying the use and benefit of such Common Facilities (or their designee), in such instances and on such terms as its Board of Trustees may deem appropriate and acceptable, obligating the Association to contribute, from the Maintenance Fund, a ratable portion of the amounts necessary from time to time to provide for the repair, maintenance, upkeep, beautification, improvement or replacement of such Common Facilities, and providing for other agreements relative to the use and enjoyment of such Common Facilities (including limitations on the extent of the use and enjoyment thereof) by the various persons and entities entitled thereto.

(c) The Association may, in its sole discretion, give one or more of the purposes set forth in this Section 1 preference over other purposes, and it is agreed that all expenses incurred and expenditures and decisions made by the Association in good faith shall be binding and conclusive on all Members.

(d) In the event Declarant shall operate any Common Facility in The Subdivision, or such Common Facility shall be operated by another on behalf of Declarant under agreement authorized hereby, and the actual proceeds realized by Declarant from such operation shall be less than the actual costs incurred by Declarant or such other party in connection with operating and maintaining any such Common Facility, Declarant shall be entitled to be reimbursed from the Maintenance Fund for all costs actually incurred by Declarant or such other party in maintaining and operating such Common Facility in excess of the actual gross proceeds realized from such operation, as such costs are incurred, to the extent that the balance of the Maintenance Fund from time to time existing exceeds the amount then designated by the Board of Trustees of the Association in good faith to be the minimum amount necessary to accomplish the maintenance functions of the Association. Further, Declarant shall be entitled to be reimbursed from the Maintenance Fund for all ad valorem taxes and other assessments in the nature of property taxes allocable to the Common Properties and Facilities in The Subdivision and accrued subsequent to the recordation of the plats covering the respective sections of The Subdivision in which such Common Properties and Facilities are situated, and prior to the date on which title to such Common Properties and Facilities is conveyed to the Association by Declarant, and which have been actually paid by Declarant.

Section 2. Covenant for Assessments.

(a) Subject to the provisions set forth below in Section 3 relating to the rate at which the maintenance charge imposed herein shall be paid on unimproved Lots, each and every Lot in the Properties is hereby severally subjected to and impressed with a regular annual maintenance charge (herein sometimes referred to as the "full maintenance charge"), in amount of One Hundred Forty-Four and No/100ths Dollars ($144.00) per annum per Lot, which shall run with the land and is subject to increase or decrease and is payable as provided in Section 4, below.

(b) Each Owner of a Lot, by his claim or assertion of ownership or by accepting a deed to any such Lot, whether or not it shall be so expressed in such deed, is hereby conclusively deemed to covenant and agree, as a covenant running with the land, to pay to the Association, its successors or assigns, each and all of the charges assessed against his Lot and/or assessed against him by virtue of his ownership, as the same shall become due and payable, without demand. The maintenance charge herein provided for shall be a charge and a continuing lien upon each Lot, together with all improvements thereon, as hereinafter more particularly stated. Such maintenance charge, together with interest, costs, and reasonable attorneys' fees shall also be the personal obligation of the person who was the Owner of the Lot at the time the obligation to pay such maintenance charge accrued, but no Member shall be personally liable for the payment of any assessment made or becoming due and payable after his ownership ceases. No Member shall be exempt or excused from paying any such charge by waiver of the use or enjoyment of the Common Properties or Facilities in The Subdivision, or any part thereof, or by abandonment of his Lot or his interest therein.

Section 3. Unimproved Lots Owned By Declarant or Builders

Declarant and builders shall pay as an annual maintenance charge for each unimproved lot owned by them an amount which shall be equal to the greater of $60.00 or forty percent (40%) of the then existing full maintenance charge assessed for each Lot, unless and until a residential structure has been built thereon and three (3) months have elapsed since the substantial completion of such residence, or the residence has been permitted to be occupied, whichever occurs first. Thereafter, commencing on the first day of the next succeeding calendar month, the full maintenance charge then assessed shall become applicable. If the maintenance charge on such Lot has been prepaid at the greater of $60.00 or forty percent (40%) of the full maintenance charge then assessed, then for the portion of the calendar year remaining after the full maintenance charge becomes applicable to such Lot as herein provided, the then Owner of such Lot shall be obligated to pay to the Association, on the date the full maintenance charge becomes applicable as herein provided, that prorata portion of the difference between (i) the full maintenance charge then assessed and (ii) the unimproved lot maintenance charge which has been prepaid, which prorata portion shall bear the same ratio to said difference as the number of full calendar months remaining in such calendar year bears to twelve (12). It shall be the duty of each builder to notify the Association at the time a residence has been substantially completed or permitted to be occupied. The term "substantial completion" as used in this Declaration shall mean that the residence is ready for sale or occupancy, except for minor items which must be furnished, completed, corrected or adjusted.

Section 4. The Annual Maintenance Charge.

(a) The annual maintenance charge provided for herein shall commence on the date (which shall be the first day of a month) fixed by the Board of Trustees to be the date of commencement. The first annual assessment shall be made for the balance of the calendar year in which it is made and shall be payable on the day fixed for commencement, or in equal monthly, quarterly or semi-annual installments over the balance of the year, at the election of the Board of Trustees. The assessments for each calendar year shall be due and payable to the Association in advance on January 1st each year, or in equal monthly, quarterly or semi-annual installments over such year, at the election of the Board of Trustees. Provided, however, that, upon the purchase of his Lot (as evidenced by the date of his term Contract of Sale or Deed, or his occupancy, whichever is earlier), each Member shall be obligated to pay to the Association that prorata part of the applicable percentage (as determined pursuant to the terms hereof) of the annual maintenance charge assessed on such Lot, which shall bear the same ratio to the applicable percentage of the full annual maintenance charge as the number of full calendar months remaining in the year of purchase bears to twelve (12), and which shall be payable in full upon such purchase or in equal monthly, quarterly or semi-annual
installments over the balance of the year of purchase, as the Board of Trustees may elect.

(b) The Board of Trustees may decrease or increase the amount of the annual maintenance charge provided for herein at any time and from time to time by the adoption of a resolution for such purpose, but no resolution increasing the annual maintenance charge shall become effective prior to the expiration of ninety (90) days from date of its adoption, and the Owner of each Lot subject to such assessment, shall, within thirty (30) days from such effective date, pay to the

Association the proportionate part of such increase for the balance of the year in which such resolution is adopted; provided, however, that no resolution of the Board of Trustees which fixes the amount of the annual maintenance charge in excess of Two Hundred Fifty and No/100ths Dollars ($250.00) per year, or in excess of the annual maintenance charge for such Lots last ratified by the Members of the Association in accordance with the provisions of this paragraph, whichever is greater, shall become effective unless and until such resolution is ratified either (i) by the written assent of at least fifty-one percent (51%) of each class of the Members of the Association, Class A and Class B, if no meeting of the membership is held for ratification, or (ii) by the assent of fifty-one percent (51%) of the votes of each class of the Members of the Association who are present and voting in person or by proxy at a special meeting of the membership of the Association called for this purpose and at which a quorum is present. The written assent or the vote of the members must be given prior to the effective date of the resolution of the Board of Trustees. No increase in the annual maintenance charge shall take effect retroactively.

(c) If any resolution of the Board of Trustees which requires ratification by the assent of the Members of the Association as above provided shall fail to receive such assent, then the amount of the annual maintenance charge last in effect shall continue in effect until duly changed in accordance with the above provisions. The Board of Trustees may decrease the amount of the annual maintenance charge without ratification by or assent of the Members of the Association.

Section 5. Quorum for any Action Authorized Under Section 4.
The Quorum required for any action authorized by Section 4 hereof shall be as follows:

> The first meeting called, as provided in Section 4 hereof, the presence at the meeting of members, or of written proxies, entitled to cast fifty-one percent (51%) of all the votes of the membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called and the required quorum at any such subsequent meeting shall be one-half (1/2) the required quorum at the preceding meeting, provided that such reduced quorum requirement shall not be applicable to any such subsequent meeting held more than sixty (60) days following the preceding meeting.

Section 6. Duties of the Board of Trustees. The Board of Trustees shall fix the date of commencement of each assessment period, and the amount of the assessment against each Lot or Owner for each assessment period, at least thirty (30) days in advance of such date and shall, at that time, prepare a roster of the properties and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner. Written notice of the assessment shall thereupon be sent to every Owner subject thereto. The Association shall, upon demand at any time, furnish to any Owner liable for said assessment a certificate in writing signed by an officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 7. Liens to Secure Assessments. The annual maintenance charge, as hereinabove provided for, shall constitute and be secured by a separate and valid and subsisting lien, hereby created and fixed, and which shall exist upon and against each Lot and all improvements thereon,

for the benefit of the Association and all Members. Subject to the conditions that the Association be given written notice of any proceeding to enforce any lien hereinafter deemed to be superior, and that the Association be made a party to any such proceeding in court, the lien hereby created 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 residence 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 payment of any such charges or assessments become due and payable; provided, however, that such mortgage, vendor's lien, deed of trust or other security instrument creates a reserve fund for the payment of the annual maintenance charge and requires the mortgagee or debtor, whichever should be the case, to deposit monthly with the beneficiary under the mortgage, vendor's lien, deed of trust, or other security instrument, to be held in trust for the purpose of paying the annual maintenance charge when due, in addition to the initial payment or deposit, in accordance with Section 4, above, a sum equivalent to one-twelfth (1/12) of the estimated annual maintenance charge.
THE ABOVE UNDERLINED PORTION HAS BEEN AMENDED TO SUBORDINATE THE LIEN.

Section 8. Effect of Non-Payment of Assessment. If any annual charge or assessment is not paid within thirty (30) days from the due date thereof, the same shall bear interest from the due date until paid at the highest interest rate allowed under the laws of the State of Texas, and, if placed in the hands of an attorney for collection or if suit is brought thereon or if collected through probate or other judicial proceedings, there shall be paid to the Association an additional reasonable amount, but not less than ten percent (10%) of the amount owing, as attorney's fees. The Association, as a common expense of all Members, may institute and maintain an action at law or in equity against any defaulting Member to enforce collection and/or for foreclosure of the liens against his Lot. All such actions may be instituted and brought in the name of the Association and may be maintained and prosecuted by the Association in a like manner as an action to foreclose the lien of a mortgage or deed of trust on real property.

Section 9. Collection and Enforcement. Each Member, by his assertion of title or claim of ownership or by his acceptance of a deed to a Lot, whether or not it shall be so recited in such deed, shall be conclusively deemed to have expressly vested in the Association, and in its officers and agents, the right, power and authority to take all action which the Association shall deem proper for the collection of assessments and/or for the enforcement and foreclosure of the liens securing the same.

Section 10. Special Assessments for Capital Improvements. In addition to the annual maintenance charge authorized above, 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, reconstruction, repair, or replacement of a capital improvement on the Common Properties, including fixtures and personal property related thereto. Any such assessment must be approved by a majority of each class of members.

ARTICLE VII

Annexation Agreement With City of Corpus Christi

This article references the annexation agreement with the City of Corpus Christi to bring the subdivision into the corporate limits of the City.

ARTICLE VIII

Broadband Communication System

THIS PROVISION WAS ABANDONED BY THE DEVELOPERS. IT WAS TO REQUIRE THAT ALL HOMES BE CONNECTED TO A CENTRAL SECURITY SYSTEM.

ARTICLE IX

Architectural Control Committee

Section 1. Creation of Architectural Control Committee. The Properties shall be subject to the oversight of a committee of the Association to be known as the "Architectural Control Committee" (sometimes herein abbreviated "ACC"). Said Committee shall consist of three (3) or more members. Each member of the committee shall have experience in one or more of the following fields: architecture, engineering, contracting, land use planning, real estate development, construction, building code enforcement, or any other related fields. Declarant shall appoint the initial members of the Committee, each to serve for an initial term of two (2) years and thereafter, until his successor is duly appointed and qualified. After the expiration of the term of the initial members of the ACC, and thereafter, the successor members of the ACC shall be appointed by the Board of Trustees of the Association to serve two (2) year terms. Any vacancy, from whatever cause, occurring in the membership of the ACC, at any time, shall be filled by appointment made by the Board of Trustees. Any person so appointed to fill any such vacancy shall serve for the remainder of the term and thereafter, until his successor is duly appointed and qualified. At any time in the event of a vacancy on the ACC, the remaining member or members of the ACC shall have the full right, authority and power to carry out the functions of the ACC as provided herein, or to designate a representative or agent with like right, authority and power, until a successor member or members shall have been appointed to fill the vacancy in accordance with the foregoing. Declarant shall pay all costs of the ACC until December 31, 1988; thereafter, all costs of the ACC shall be paid by the Association.

Section 2. Approval of Plans. (a) No building, structure, or other improvements shall be commenced, erected, constructed, placed or maintained upon the Property, nor shall any exterior addition to or change or alteration therein be made until the detailed plans and specifications therefor shall have been submitted to and approved in writing as to compliance with minimum structural and mechanical standards, location and situation on the Lot, and as to harmony of external design or location in relation to property lines, building lines, easements, grades, surrounding structures, walks, and topography (including the orientation of the front and rear of any such building with respect to the Lot lines), by the Architectural Control Committee

constituted as provided herein.

(b) Final plans and specifications shall be submitted in duplicate to the ACC for approval or disapproval. At such time as the plans and specifications meet the approval of the ACC, one complete set of such plans and specifications will be retained by the ACC and the other complete set will be marked "Approved" and returned to the lot owner. Any proposed modification or changes to the approved set of plans and specifications must first be submitted to the ACC for its inspection and prior approval.

(c) The submitted plans and specifications shall specify, in such form as the Architectural Control Committee may reasonably require, structural, mechanical, electrical, and plumbing detail and the nature, kind, shape, height, exterior color scheme, materials to be incorporated into, and location of the proposed improvements or alterations thereto.

(d) In the event said Architectural Control Committee fails to approve or disapprove such plans and specifications within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and the provisions of this Section will be deemed to have been fully complied with; provided, however, that the failure of the Architectural Control Committee to approve or disapprove such plans and specifications within such thirty (30) day period shall not operate to permit any structure to be commenced, erected, placed, constructed or maintained on any Lot in the properties in a manner inconsistent with any provision of this Declaration.

(e) Without limitation of the powers herein granted, the Architectural Control Committee shall have the right to specify a limited number of acceptable exterior materials and/or finishes that may be used in the construction, alteration, or repair of any improvement on any Lot. It also shall have the right to specify requirements for each Lot as follows: minimum setbacks; the location, height, and extent of fences, walls, landscaping, or other screening devices; and the orientation of the residential structure with respect to garage access and major entry and frontage. Further, the ACC shall have the right to waive, modify, alter or change any term, condition, provision or covenant hereof when necessary in its sole judgment where such waiver, modification, alteration or change is deemed for the advantage or best appearance of the Subdivision: (1) where one lot and all or a portion of another or other contiguous lots are being combined for the purpose of building a single family residence, (2) in the case of corner lots, (3) in the case of lots which are unusual in size, or which are of an unusual or irregular shape, and (4) in the case of lots adjacent to (i) hike and bike trails, (ii) pedestrian walkways connecting to hike and bike trails and (iii) drainage swells.

(f) The Architectural Control Committee shall have full power and authority to reject any plans and specifications that do not comply with the restrictions herein imposed or meet its minimum construction or architectural design requirements or that might not be compatible, in the sole discretion of the Architectural Control Committee, with the design or overall character and aesthetics of the properties. The Committee shall have the authority to make final decisions in all matters relating to the general intent and purpose of these restrictions, whether such matters may arise because of discrepancies, contradictions, vagueness, general interpretation, or for any other reason which raises any question with respect to the general intent and purpose of these

restrictions.

Section 3. Transfer of Authority to the Association. The duties, rights, powers and authority of the Architectural Control Committee constituted hereby may be assigned at any time, at the sole election of a majority of the members of the Committee, to the Board of Trustees of the Association, and from and after the date of such assignment, and the acceptance thereof by such Trustees, the Board of Trustees of the Association shall have full right, authority and power, and shall be obligated, to perform the functions of the Architectural Control Committee as provided herein, including the right to designate a representative or representatives to act for it.

Section 4. Minimum Construction Standards. The Architectural Control Committee may from time to time promulgate an outline of minimum acceptable construction standards and specifications, which shall constitute guidelines only and shall not be binding upon the Architectural Control Committee or in any manner determinative of the approval or disapproval by such Committee of submitted plans and specifications. However, the Property lies within the extraterritorial jurisdiction of the City of Corpus Christi and all construction thereon is subject to the building codes and all other applicable requirements of the City of Corpus Christi.

Section 5. Golf Course Lots. For the purposes of this Article IX and Article X, below, the term "Golf Course Lots" shall mean lots that front on the golf course adjoining portions of the Property.

Section 6. Construction Requirements. (a) Only new construction materials (except for used brick) shall be used and utilized in constructing any residential or other building, or structure of any kind, situated on a Lot, unless the Architectural Control Committee shall expressly approve in writing the proposed use of used construction materials.

(b) All exterior construction of the primary residential structure, garage, porches, and any other appurtenances or appendages of every kind and character on any Lot and all interior construction (including, but not limited to, all electrical outlets in place and functional, all plumbing fixtures installed and operational, all cabinet work completed, all interior walls, ceilings, and doors completed and covered by paint, wallpaper, paneling, or the like and all floors covered by wood, carpet, tile or other similar floor covering) shall be completed not later than eighteen (18) months following the commencement of construction. For the purposes hereof, the term "commencement of construction" shall be deemed to mean the date on which the foundation forms are set.

(c) The exterior walls of each main building may be either masonry or wood. If made of masonry, natural stone, brick or stucco, or a veneer of any of them may be used. Wood, plywood or tempered hardboard may be used on

exterior walls. For any residence using wood, a minimum of eight trees each 6" in diameter shall be located in the front one-third (1/3) of the Lot.

(d) No window or wall type air conditioners shall be permitted to be used, placed or maintained on or in any building in any part of the Properties, without the prior express written

consent of the Architectural Control Committee.

(e) All structures situated on any Lot shall have roofs made of the following: (i) 300 pound composition shingle, or better, (ii) No. 1 cedar shingles, (iii) split cedar shakes, or (iv) concrete roof tiles. Use of any other type roofing materials must be expressly approved in writing by the Architectural Control Committee. Built-up roofs are prohibited.

(f) No electronic antenna or device of any type shall be erected, constructed, placed or permitted to remain on any of the Lots, unless erected, constructed or placed within a residence or other permitted building constructed in the Subdivision. External antennas of any type are prohibited. Further, no "ham" radio or "citizens band" antenna shall be permitted or allowed in The Subdivision.

Section 7. Size of Residences. No residential structure, garage or appurtenant building shall be permitted on any Lot if it shall have more than two (2) stories in height. No residential structure with an exterior of less than the applicable minimum number of square feet set below, exclusive of the area of attached garages, porches, servant's quarters, or other appurtenances or appendages, shall be erected on any Lot:

Type of Structure	Minimum Exterior Area (in square feet)	
	Golf Course Lots	All Other Lots
(a) One (1) story residence	2,200	1,800
(b) One and one-half (1-1/2)story residence	2,200	1,800
(c) Two (2) story residence (1,200 minimum downstairs)	2,200	1,800

Section 8. Building Location. (a) All buildings and other improvements of any kind shall be located on the Lots within the Subdivision, as follows:

(i) No structure shall be located on any Lot nearer the front lot line than the building setback lines shown on the Subdivision plats nor further away from the front lot line than the Architectural Control Committee determines to be in harmony with existing buildings in the immediate vicinity.

(ii) For all Lots, other than Golf Course Lots: No building shall be located nearer six (6) feet to any interior Lot line. The side building line upon all corner lots shall be ten (10) feet from the side street line, unless otherwise indicated on the Subdivision Plat. The back building line shall be seven and one-half (7.5) feet from the rear lot line.

(iii) For Golf Course Lots: No residential or other building shall be located nearer than twenty feet (20') to the rear lot lin (or any other interior lot line which abuts and parallels any portion of the Golf Course). No patio, deck, terrace or other similar open porch, swimming pool, or other structure of any kind, or artificially surfaced area, shall be located nearer than ten feet (10') from

the rear lot line (or any other interior lot line which abuts and parallels any portion of the Golf course). No residential or other building, or swimming pool, shall be located nearer than ten feet (10') from any side or other interior lot line, except that a garage or other permitted acessory building located sixty-five feet (65') or more from the front lot line may be located wihtin six feet (6') of an interior lot line.

(b) For the purposes of situating buildings and structures on the Lots within the building lines described in Subparagraph (a), above, eaves, steps and open porches shall not be considered as a part of a building or other structure; provided, however, that the foregoing shall not be construed to permit any portion of any building or any structure or any other improvements of any kind, on any Lot, to encroach upon another Lot. For purposes of this Declaration, the front line of each Lot shall coincide with and be the property line having the smallest or shortest dimension abutting a street.

(c) Unless otherwise approved in writing by the Architectural Control Committee, each residential building will face the front of the Lot, and each detached garage will be located at least sixty-five (65) feet from the front of a Lot on which it is situated and will be provided with a driveway access from the front of the Lot; provided that such access may be from the front or side of corner Lots (as herein defined), unless such side access would be from a major thoroughfare (defined, for the purposes hereof, as any street having a right-of-way more than eighty (80) feet in width), in which event access to the garage must be from the front of the Lot. No garage or other permitted accessory building on any Lot shall open toward or have its main access from the direction of any Lot line adjoining the Golf Course.

(d) In the case of any unusual or irregularly shaped lot, buildings and other improvements may be located thereon as approved by the ACC.

Section 9. Garages. Any garage, servants quarters or any outbuilding of any kind detached from the main building shall be located on the rear one-third of the lot with reference to the side lot line to conform to the Building Code and Zoning Ordinance of the City of Corpus Christi and shall not be constructed upon any portion of the easement along the rear or side property line of such lot.

Section 10. Walls, Fences and Hedges. (a) No walls, fences or hedges shall be erected or maintained nearer to the front Lot line than the walls of the dwelling situated on such Lot which are nearest to such front Lot line, unless otherwise approved in writing by the Architectural Control Committee. No side or rear fence and walls may be higher than six (6) feet, unless otherwise approved in writing by the Architectural Control Committee. No walls, fences or hedges may be erected along or adjacent to and basically parallel to any Lot line of any Golf Course Lot adjoining any portion of the Golf Course (including cart paths connecting portions thereof), unless otherwise approved in writing by the Architectural Control Committee. Further, no walls, fences or hedges may be erected along or adjacent to and basically parallel to any Lot line of any corner Lot, or any Lot line fronting on a hike or bike trail or path in the Subdivision, unless otherwise approved in writing by the Architectural Control Committee.

AMENDED NOVEMBER 1979 TO ADD TO SEC. 10(a): Landscaping in the form of trees, shrubs, bushes and other plants may be placed between the building lines and the nearest lot

line as long as the same does not interfere or impede normal sidewalk use or automobile and pedestrian safety. Such landscaping shall be kept well trimmed and cut to conform to this paragraph.

(b) Fences must be of ornamental iron, wood or masonry construction. No chain link fences shall be permitted which shall be visible from a street, the golf course, or a hike or bike trail.

(c) Ownership of any wall, fence or hedge erected as a protective screening on a Lot by Declarant (and the right to erect any such wall, fence or hedge for such purpose is hereby reserved in favor of Declarant, its successors and assigns) shall pass with title to such Lot and it shall be that Owner's responsibility to maintain said protective screening thereafter. In the event of default on the part of Owner or occupant of any Lot in maintaining said protective screening and such failure continues after ten (10) days' written notice thereof, Declarant or its successors or assigns, or the Association, whichever should by the case, may, at its option, without liability to the Owner or occupant in trespass or otherwise, enter upon said Lot and cause said protective screening to be repaired or maintained or to take any other action necessary to secure compliance with this Declaration, and place said protective screening in a satisfactory condition, and may charge the Owner or occupant of such Lot for the cost of such work. The Owner or occupant, as the case may be, agrees by the purchase or occupancy of such Lot, to pay such statement immediately upon receipt thereof. The amount of such charge, together with interest thereon at the rate of ten percent (10%) per annum and reasonable costs of collection, shall be a charge and continuing lien upon such Lot, as well as the continuing personal obligation of the Owner of such Lot at the time such charge is incurred. The lien provided under this Section shall not be valid against a purchaser (or mortgagee), without actual notice thereof, of the Lot in question unless a suit to enforce such lien shall have been filed in a court of record, or notice thereof shall have been filed in the Office of the County Clerk of Nueces County, Texas, prior to the recordation among the Deed Records and Deed of Trust Records of Nueces County, Texas, of the deed (or mortgage), conveying the Lot in question to such purchaser (or subjecting the same to such mortgage). In all other matters, this charge will constitute a lien retained against such property with the same force and effect as the lien for assessments set forth in these Covenants.

Section 11. Sight Line Limitations. 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 any triangular area having as one point the point of intersection of the street property lines at the street corner (or in the case of a rounded corner, from the intersection of the street property lines extended to intersect), and having as the other two points those points lying twenty-five feet from the intersection of the street lines or in the case of a rounded corner, from the intersection of the street property lines extended to intersect. The same sight line limitations shall apply on any building site within ten feet 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 of
the trees is maintained at sufficient height to prevent the obstruction of the above sight line.

ARTICLE X

Building and Use Restrictions

Section 1. Residence Buildings and Garages. No building or other structure shall be built, placed, constructed, reconstructed, or altered on any Lot other than a single family residence, with appurtenances incident to single family use, including, without limitation, bona fide servants quarters, and no structure shall be occupied or used until the exterior construction thereof is completed. Each single family residence situated on a Lot shall have an enclosed, attached or detached garage for not less than two (2) nor more than four (4) automobiles. No such detached garage shall have more than one (1) story. No carport shall be built, placed, constructed or reconstructed on any Lot. No garage shall ever be changed, altered, reconstructed or otherwise converted for any purpose inconsistent with the garaging of automobiles. All Owners, their families, tenants and contract purchasers shall, to the greatest extent practicable, utilize such garages for the garaging of vehicles belonging to them.

Section 2. Single Family Residential Use. Each Lot (including land and improvements) shall be used and occupied for single family residential purposes only. No Owner or other occupant shall use or occupy his Lot, or permit the same or any part thereof to be used or occupied, for any purpose other than as a private single family residence for the Owner or his tenant and their families and domestic servants employed on the premises. As used herein the term "single family residential purposes" shall be deemed to prohibit specifically, but without limitation the use of Lots for duplex apartments, garage apartments or other apartment use. No Lot shall be used or occupied for any business, commercial, trade or professional purpose, either apart from or in connection with the use thereof as a private residence, whether for profit or not.

Section 3. Temporary and Other Structures. No structure of a temporary character, trailer, mobile, modular or prefabricated home, tent, shack, barn, garage or any other structure or building, other than the residence to be built thereon, shall be placed on any Lot, either temporarily or permanently and no residence house, garage or other structure appurtenant thereto, shall be moved upon any Lot from another location.

Section 4. Nuisance. No noxious or offensive activity shall be carried on or permitted upon any Lot or upon the Common Properties, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood or to other Owners. The Board of Trustees of the Association shall have the sole and exclusive discretion to determine what constitutes a nuisance or an annoyance. No trucks larger than three-quarters of a ton, motor vehicles not currently licensed, boats, trailers, campers, motor or mobile homes or other vehicles shall be permitted to be parked on any Lot, except in a closed garage or elsewhere if approved by the ACC, nor on any street, except passenger cars and trucks smaller than three-quarters of a ton may be parked on the street in front of the Lot for a period not to exceed twelve (12) hours in any twenty-four (24) hour period. No repair work, dismantling, or assembling of motor vehicles or other machinery or equipment shall be done or permitted on any street, on any Lot (except inside a closed garage), or on any portion of the Common Properties. The use or discharge of firearms, firecrackers, or other fireworks in the Properties is prohibited. No motor bikes, motorcycles, motor scooters, "go-carts", or other similar vehicles shall be permitted to be operated in the Properties, if, in the sole judgment of the Board of Trustees of the Association, such operation, by reason of noise or fumes emitted, or by reason of manner of use, shall constitute a nuisance.

Section 5. Signs. Except for signs, billboards or other advertising devices displayed by

Declarant for so long as Declarant (or any successors or assigns of Declarant to whom the right of Declarant under this Section 5 are expressly transferred) shall own any portion of the Properties, no sign of any kind shall be displayed to the public view on any Lot or the Common Properties, except:

(a) Builders may display one (1) sign of not more than five (5) square feet on a Lot to advertise the lot and any residential structure situated thereon for sale during the sales and/or construction period; and

(b) Any Owner may display one (1) sign of not more than five (5) square feet on a Lot improved with a residential structure to advertise the Lot and residence for sale or rent. Use of a larger sign must be approved in writing by the Architectural Control Committee.

Section 6. Animals. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any Lot or on any portion of the Common Properties, except that dogs, cats, or other common household pets, including fish, birds and insects, may be kept, but they shall not be bred or kept for commercial purposes. Any dogs, cats, or other common household pets that may be kept on the premises of any Lot, shall, upon leaving or being taken from said Lot, be restrained in the care, custody or control of the pet's owner by a leash, rope, chain or other device, and shall not be allowed to run loose in the Common Properties, streets, Lots, or any other areas.

Section 7. Removal of Dirt. The digging of dirt or the removal of any dirt from any Lot or from any portion of the Common Properties is prohibited, except as necessary in conjunction with landscaping or construction of improvements thereon.

Section 8. Garbage and Refuse Storage and Disposal. (a) All lots and the Common Properties shall at all times be kept in a healthful, sanitary and attractive condition. No Lot or any part of the Common Properties shall be used or maintained as a dumping ground for garbage, trash, junk or other waste matter, nor shall same be allowed to accumulate thereon. All trash, garbage, junk or waste matter shall be kept in adequate containers constructed of metal, plastic or masonry materials, with tightly-fitting lids, which shall be maintained in a clean and sanitary condition and screened from public view. No Lot shall be used for open storage of any materials whatsoever, except for normal residential requirements, which storage is not visible from the street; also, except that new building materials used in the construction of improvements erected on any Lot may be placed upon such Lot at the time construction is commenced and may be maintained thereon for a reasonable time, so long as the construction progresses without unreasonable delay, until completion of the improvements, after which these materials shall either be removed from the Lot, or stored in a suitable enclosure on the Lot. The Association shall have the right and obligation to determine whether garbage disposal in The Subdivision shall be through public authority or through private garbage disposal service. No garbage, trash, debris, or other waste matter of any kind shall be burned on any Lot.

(b) In the event of default on the part of the Owner or occupant of any Lot in observing the above requirements, or any of them, such default continuing after ten (10) days' written notice thereof, Declarant, the ACC, or the Association, whichever should be the case, and/or their agents, may, without liability to the Owner or occupant in trespass or otherwise, enter upon said

Lot and remove or cause to be removed such garbage, trash, junk and waste matter or do any other thing necessary to secure compliance with this covenant in order to place said Lot in a neat, attractive, healthful and sanitary condition; further, the Owner or occupant of such Lot may be assessed for the cost of such work, by submitting a statement setting forth the cost of such work to the Owner or occupant of such Lot. The Owner or occupant, as the case may be, agrees by the purchase or occupancy of such Lot to pay such statement immediately upon receipt thereof. Each such assessment, together with interest thereon at the rate of ten percent (10%) per annum and reasonable costs of collection, shall be a charge and continuing lien upon such Lot, as well as the continuing personal obligation of the Owner of such Lot at the time of such assessment. The lien provided under this Section shall not be valid against a purchaser (or mortgagee), without actual notice thereof, of the Lot in question unless a suit to enforce such lien shall have been filed in a court of record, or notice thereof shall have been filed in the Office of the County Clerk of Nueces County, Texas, prior to the recordation among the Deed Records and Deed of Trust Records of Nueces County, Texas, of the deed (or mortgage) conveying the Lot in question to such purchaser (or subjecting the same to such mortgage). In all other matters, this charge will constitute a lien retained against such property with the same force and effect as the lien for assessments set forth in these Covenants.

Section 9. Access. No driveways or roadways may be constructed on any Lot to provide access to any adjoining Lot or other portion of the Properties unless the express written consent of the Architectural Control Committee first shall have been obtained.

Section 10. Driveways and Culverts. Each Lot must be accessible to an adjoining street by a driveway suitable for such purposes before either residential structure located on any such Lot may be occupied or used. No Owner may block any drainage ditch (including road ditches). The specifications for the construction of all drain tiles or culverts in any drainage ditch (including road ditches). The specifications for the construction of all drain tiles or culverts in any drainage ditch, whether to be installed in connection with a driveway or otherwise, must be approved by the Architectural Control Committee. Driveways shall be entirely of concrete and shall be constructed with expansion joints not more then twenty feet apart, with one joint at the back of the street curb. The width of each driveway shall flair and the curb shall be broken in such a manner that the driveway shall be at least four (4) inches thick at its end toward the street paving, and this extreme shall be poured against a horizontal form board to reduce the unsightly appearance of a raveling driveway.

Section 11. Utilities. Each residence situated on a Lot shall be connected to the water and sewer lines as soon as practicable after same are available at the Lot line.

Section 12. Combining Lots. Any person owning two or more whole Lots which are adjoining, may, with the prior written approval of the Architectural Control Committee, consolidate such Lots into a single building location for the purpose of constructing one (1) residential structure thereon (the plans and specifications therefore being approved as hereinabove set forth) and such other improvements as are permitted herein. Any such consolidation shall give consideration to easements as shown and provided for on the Subdivision Plat and any required abandonment or relocation of any such easements shall require the prior written approval of Declarant and/or the Association as well as the prior written approval of any utility company

having the right to the use of such easements.

Section 13. Drilling and Mining Operations. 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.

Section 14. (a) Maintenance and Repair Required By Owner.
Each Owner shall keep all Lots owned by him, and all improvements therein or thereon, in good order and repair, including but not limited to, the seeding, watering and mowing of all lawns, the pruning and cutting of all trees and shrubbery and the painting (or other appropriate external care) of all buildings and other improvements, all in a manner and with such frequency as is consistent with safety and good property management. In addition, the area between any street 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, keeping the same in a condition comparable to the condition of such residence at the time of its initial construction, excepting only normal wear and tear.

(b) Owner's Obligation to Rebuild. If all or any portion of a residence is damaged or destroyed by fire or other casualty, it shall be the duty of the Owner thereof, with all due diligence, to rebuild, repair, or reconstruct such residence in a manner which will substantially restore it to its appearance and condition immediately prior to the casualty. Reconstruction shall be undertaken within three (3) months after the damage occurs, and shall be completed within twelve (12) months after the damage occurs, unless prevented by causes beyond the control of the Owner or Owners.

(c) Enforcement. Declarant, the Architectural Control Committee or the Association, whichever should be the case, and their agents, during normal business hours, shall have the right (after 10 days written notice to the Owner of any Lot involved, setting forth the specific violation or breach of this covenant and the action required to be taken, and if at the end of such time reasonable steps to accomplish such action have not been taken by the Owner(s)), to take the action specified in the notice to remedy or abate said violations(s) or breach(es). The cost of such remedy or abatement will be paid to the Declarant or the ACC or Association upon demand and if not paid within thirty (30) days thereof, shall become a lien upon the Lot affected. Declarant or ACC or the Association, or the agents thereof, shall further have the right (upon like notice and conditions) to trim or prune, at the expense of the Owner, any hedge, tree or any other planting that, in the written opinion of the Declarant or ACC or Association, by reason of its location on the Lot, or the height to, or the manner in which it is permitted to grow, is detrimental to the adjoining Lots or is unattractive in appearance. The lien provided under this Section shall not be valid against a purchaser (or mortgagee), without actual notice thereof of the Lot in question unless a suit to enforce such lien shall have been filed in a court of record, or notice thereof shall have been filed in the Office of the County Clerk of Nueces County, Texas, prior to the recordation among the Deed Records and Deed of Trust Records of Nueces County, Texas, of the deed (or mortgage), conveying the Lot in question to such purchaser (or subjecting the same to such mortgage). In all other matters, this charge will constitute a lien retained against such

property with the same force and effect as the lien retained against such property with the same force and effect as the lien for assessments set forth in these Covenants.

Section 15. Screening From Public View. The drying of clothes visible from a street, the golf course, or a hike or bike trail, is prohibited. The Owners or occupants of any Lots at the intersection of streets or adjacent to the Common Properties, parks, playgrounds, waterfront, Golf Course, or other facilities where the rear yard or portion of the Lot is visible to full public view shall construct and maintain a hedge or other suitable enclosure, as may be approved by the ACC, to screen the following from public view: the drying of clothes, yard equipment, wood piles or storage piles which are incident to normal residential requirements of a typical family.

Section 16. Use of Common Properties. There shall be no obstruction of any part of the Common Properties, which are intended to remain unobstructed for the reasonable use and enjoyment thereof. No Owner shall appropriate any part of the Common Properties to his exclusive use, nor shall any Owner do anything which would violate the easements, rights and privileges of any Owner in regard to any portion of the Common Properties which is intended for the common use and benefit of all Owners. Except as may be herein permitted, no Member shall plant, place, fix, install or construct any vegetation, hedge, tree, shrub, fence, wall, structure or improvements or store any of his personal property on the Common Properties or any part thereof without the written consent of the Association first obtained. The Association shall have the right to remove anything placed on the Common Properties in violation of the provisions of this Section and to recover the cost of such removal from the Owner responsible, and to have a lien on such Owner's Lot to secure the payment of such cost, all on the same terms and provisions as are set forth in Section 14, above.

Section 17. Exempt Property. Notwithstanding any provision herein to the contrary, the Common Properties shall not be subject to or burdened by the building and use restrictions set forth in this Article X, except to the extent same are made specifically applicable to the Common Properties.

Section 18. Propane, Butane, or LP Gas. The installation and use of any propane, butane, LP Gas or other gas tank, bottle or cylinder of any type, shall require the prior written approval of the Architectural Control Committee, and, if so approved, shall be underground. Any control boxes, valves, connections or refilling or refueling devices shall be completely landscaped with shrubbery so as to obscure their visibility from the street, Golf Course or from any Common Properties or any other area or any other Lot.

Section 19. Drainage. Neither the Declarant nor the Association, nor any of their successors or assigns, shall be liable for any loss of use of, or damage done to, any shrubbery, trees, flowers, improvements, fences, walks, sidewalks, driveways, or buildings of any type or the contents thereof on any Lot whatsoever in The Subdivision caused by any water levels, rising waters, or drainage waters.

Section 20. Increasing Insurance Risks Prohibited. Nothing shall be done or kept on a Lot or on the common area which would increase the rate of insurance relating thereto without the prior written consent of the Association, and no owner shall permit anything to be done or kept on his

lot or the Common Properties which would result in the cancellation of insurance on any residence or on any part of the common area, or which would be in violation of any law.

Section 21. Development Activities. THIS SECTION LISTS SPECIAL CONSIDERATIONS AND PRIVILEGES RESERVED BY THE DEVELOPER DURING THE DEVELOPMENT PHASE OF THE SUBDIVISION.

Section 22. Operation of Vehicles on Hike, Bike and Horse Trails. No automobiles, trucks, motorcycles, trail or motor bikes, nor any similar vehicles, shall be allowed on the hike and bike trails within The Subdivision. However, manually-propelled bicycles are permitted on the trails designated by the Associaiton as "bike" trails.

Article XI

General Provisions

Section 1. Duration. The covenants and restrictions of this Declaration shall run with and bind The Properties, and shall inure to the benefit of and be enforceable by Declarant, the Association or the Owner of any land subject to The Declaration or any Supplemental Declaration, their respective legal representatives, heirs, successors, and assigns, for an initial term commencing on the effective date hereof and ending December 31, 2020. During such initial term, the covenants and restrictions contained in all Articles hereof may be changed or terminated only by an instrument signed by the then Owners of all Lots in The Subdivision and properly recorded in the appropriate records of Nueces County, Texas, Upon the expiration of such initial term, all of the covenants and restrictions of this Declaration (as changed, if changed), shall be automatically extended for successive periods of ten (10) years. During such ten (10) year extension periods, the covenants and restrictions contained in all Articles hereof may be changed or terminated only by an instrument signed by the then Owners of not less than sixty-six and two-thirds percent (66-2/3%) of all the Lots in The Subdivision and properly recorded in the appropriate records of Nueces County, Texas.

Section 2. Enforcement. Declarant, or Declarant in and for the Association, and/or the Association, as a common expense to be paid out of the Maintenance Fund, or any Owner at his own expense, shall have the right to enforce by proceedings at law or in equity all restrictions, covenants, conditions, reservations, liens, charges, assessments, and all other provisions set out in The Declaration or any Supplemental Declaration, except as may be otherwise provided in such instruments. Failure of the Association or any Owner to take any action upon any breach or default of or in respect to any of the foregoing shall not be deemed a waiver of their right to take enforcement action upon any subsequent breach or default.

Section 3. Amendments by Declarant. The Declarant shall have and reserves the right at any time, and from time to time, without the joinder or consent of any other party, to amend this Declaration by an instrument in writing, duly signed, acknowledged, and filed for record for the purpose of correcting any typographical or grammatical error, ambiguity, or inconsistency appearing herein, provided that any such amendment shall be consistent with and in furtherance of the general plan of development as evidenced by this Declaration and shall not impair or affect the

vested property or other rights of any Owner or his mortgagee.

Section 4. Interpretation. If this Declaration, or any word, clause, sentence, paragraph, or other part thereof shall be susceptible of more than one or conflicting interpretations, then the interpretation which is most nearly in accordance with the general purposes and objectives of this Declaration shall govern.

Section 5. Omissions. If any punctuation, word, clause, sentence or provision necessary to give meaning, validity, or effect to any other word, clause, sentence or provision appearing in this Declaration shall be omitted herefrom, then it is hereby declared that such omission was unintentional and that the omitted punctuation, work, clause, sentence, or provision shall be supplied by inference.

Section 6. Notices. Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, 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 7. Gender and Grammar. The singular, wherever used herein, shall be construed to mean the plural, when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, males or females, shall in all cases be assumed as though in each case fully expressed.

Section 8. Severability. Invalidation of any one or more of the covenants, restrictions, conditions, or provisions contained in this Declaration, or any part thereof, shall in no manner affect any of the other
covenants, restrictions, conditions, or provisions hereof, which shall remain in full force and effect.

ARTICLE XII

Lienholder

Gibraltar Saving association, the owner and holder of the only lien covering the Properties, has executed this Declaration to evidence its joinder in, consent to, and ratification of the imposition of the foregoing covenants, conditions and restrictions.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein and the Lienholder, has executed this Declaration to be effective, this the 11th day of May, 1979.

(SIGNATURES ON ORIGINAL)

THIS DOCUMENT WAS RETYPED FROM THE ORIGINAL INSTRUMENT FOR EASE OF REPRODUCTION ONLY. THE FULL AND COMPLETE TEXT OF THE ORIGINAL INSTRUMENT IS AVAILABLE FROM THE NUECES COUNTY CLERKS OFFICE.