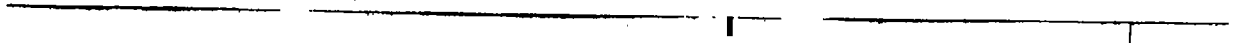


DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

WOOD ESTATES UNIT 2B



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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

WOOD ESTATES UNIT 2B

THIS DECLARATION is executed on the 11th day of August, 2000, by WOOD RIVER PARTNERS, a Texas Joint Venture, and shall be binding on its successors and assigns, hereinafter collectively referred to as "Declarant".

W I T N E S S E T H:

WHEREAS, Declarant, is the owner of certain property in the County of Nueces, State of Texas, which is more particularly described as follows ("Property"), to-wit:

Wood Estates Unit 2B, a Subdivision of the City of Corpus Christi, Texas, as shown by the map or plat thereof ("Plat") recorded in Volume 60, Pages 144-145, Map Records of Nueces County, Texas, a copy of the Plat and fieldnotes are attached hereto as Exhibit "A", to which reference is here made for all pertinent purposes.

WHEREAS, Declarant desires that the Property be annexed into the Wood Estates Subdivision and Association;

NOW THEREFORE, Declarant, pursuant to Article XI of that certain Declaration of Covenants, Conditions, and Restrictions for Wood Estates, dated January 5, 1999, and recorded under Clerk's File No. 1999001389, Official Public Records of Real Property of Nueces County, Texas (the "Original Declaration"), hereby certifies the annexation of the Property to the existing property commonly known as Wood Estates, declares that all of the Property described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions ("Restrictions") which 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 Property or any part thereof, its successors and assigns, and shall inure to the benefit of each Owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to WOOD ESTATES HOMEOWNERS ASSOCIATION, INC., a Texas Non-Profit corporation, its successors and assigns.

Section 2. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Property with the exception of the Common Area.

Section 3. "Common Area" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the Owners.

Section 4. "Declarant" shall mean and refer to WOOD RIVER PARTNERS, a Texas Joint Venture, and its successors and assigns being so designated as such in writing by Declarant, and who consent in writing to assume the duties and obligations of the Declarant with respect to the Lots acquired by such successor or assign.

Section 5. "Hike and Bike Trail Easement Area" shall mean that certain six foot (6') wide strip of land abutting the rear property lines of Lots 12 through 23, Block 5, and that area set out as such in the Original Declaration and any other Declaration which annexes property into the Original Declaration, and any future annexed property which designates property as a part of the Hike and Bike Trail Easement Area.

Section 6. "Home" shall refer to the improvements constructed upon any Lot (including the garage, if any), subject to this Declaration, for use as a single family dwelling, as that term is defined by local ordinance.

Section 7. "Member" shall mean a member of the WOOD ESTATES HOMEOWNERS ASSOCIATION, INC.

Section 8. "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 9. "Property" shall mean and refer to that certain real property hereinbefore described, and such additions hereto as may hereafter be brought within the jurisdiction of the Association.

ARTICLE II.

PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area and Hike and Bike Trail Easement Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- (A) The right of the Association to suspend the voting rights and right to use of the recreational facilities, if any, by an Owner for 1) any period during which any assessment against his Lot remains unpaid, and 2) a period not to exceed sixty (60) days for any infraction of its published rules and regulations; and
- (B) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by two-thirds (2/3rds) of each class of members has been recorded.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the Bylaws, his right of enjoyment to the Common Area and Hike and Bike Trail Easement Area, and facilities to the members of his family, his tenants, or contract purchasers who reside on the Owner's property.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. Voting Rights. The Association shall have two (2) classes of voting membership:

Class A. Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one (1) vote for each Lot owned. When more than one (1) person holds an interest in any Lot all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot. As provided in the Articles of Incorporation for the Association, if requested by the Association, multiple owners must designate in writing one owner to exercise the single vote attributable to the jointly owned Lot.

Class B. The Class B member shall be the Declarant (or lienholder as provided in Article XIII herein) and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or
- (b) On December 31, 2009.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. All Owners, including the Declarant, of any Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, are deemed to covenant and agree to pay to the Association: (1) annual assessments or charges; and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided and (3) a "working capital fund fee" equal to one-

quarter of the annual assessment which was in effect at the time the Owner acquired title to the Lot. Annual assessments shall begin once the Property is accepted by the City of Corpus Christi as a platted subdivision. The covenant in this section shall not constitute a guarantee, or promise of any kind by Declarant to pay any assessment, or any other obligation of any Owner other than Declarant, and Declarant shall have no assessment obligation beyond that set forth in this Article IV. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which each assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them. The Association may elect to bill for and collect the annual assessment from each Owner on a monthly, quarterly or semi-annual basis.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used as set out in the Articles of Incorporation and Bylaws of the Association, including the management of the Association, the recreation, health, safety, and welfare of the residents in the Property and for the improvement and maintenance of the Common Area and the Hike and Bike Trail Easement Area. The assessments shall be placed in an account ("Common Fund") for such purposes.

Section 3. Maximum Annual Assessment. The maximum annual assessment shall be as provided in Section 6 of this Article and such annual assessment may be increased as follows:

- (A) The maximum annual assessment per Lot may be increased each fiscal year not more than ten percent (10%) above the maximum annual assessment for the previous year by action of the Board of Directors of the Association and without a vote of the membership.
- (B) The maximum annual assessment per Lot may be increased above ten percent (10%) by a vote of two-thirds (2/3rds) of each class of members who are voting in person or by proxy, at a special meeting duly called for this purpose.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments 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 upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall

have the assent of two-thirds (2/3rds) of the votes of each class of members who are voting in person or by proxy at a special meeting duly called for this purpose.

Section 5. Notice and Quorum for any Action Authorized under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be two-thirds (2/3) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments shall be fixed at a uniform rate for all Lots. The initial annual assessment for each Lot shall be \$200.00.

Section 7. Date of Commencement of Annual Assessments and Due Dates. Except as specifically provided in Section 1 of this Article concerning Declarant, the annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of subsequent annual assessments against each Lot at least thirty (30) days in advance of each annual assessment period (except that the assessments for the first such period need not be fixed within such time period). Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors and, unless otherwise provided, the Association or its agent shall collect each month from the Owner of each Lot, one-twelfth (1/12th) of the annual assessment for each Lot. Unless and until the Board of Directors establishes otherwise, the due date for all monthly assessment payments shall be the first day of the month. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer, or the managing agent, if any, of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 8. Effect of Nonpayment of Assessments and Remedies of the Association. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, then it shall bear interest from the due date at the rate of eighteen percent (18%) per annum. The Association may bring an action at law

against the Owner personally obligated to pay the same, or foreclose the lien against such Owner's Lot, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area, or abandonment of his Lot or Home, or by renunciation of membership in the Association.

Each such Owner, by acceptance of a deed to a Lot, hereby expressly vests in the Association, or its agents, the right and power to bring all actions against such Owner personally for the collection of such charges as a debt and to enforce the aforesaid lien by all methods available for the enforcement of liens against real property, including judicial or non-judicial foreclosure by an action brought in the name of the Association in a like manner as a purchase money mortgage foreclosure on real property and such Owner hereby expressly grants to the Association a power of sale in connection with the foreclosure of said lien. The Association shall have the right to appoint agents to mail and file the notices required by Texas Property Code §51.002 to conduct the sale, and to otherwise comply with the statute.

One method of enforcement and foreclosure of such assessment liens, although not to the exclusion of other means of enforcement, shall be by the Association appointing, in writing, a Trustee, and upon requesting the Trustee to foreclose the lien, the Trustee shall do the following:

- (1) Advertise the time, place, and terms of sale and mail notices as required by Section 51.002, Texas Property Code, as then amended, and otherwise comply with that statute;
- (2) Sell all or part of the property to the purchaser with a general warranty binding the defaulting Owner; and
- (3) From the proceeds of the sale, pay, in this order:
 - (a) Expenses of foreclosure, including a reasonable commission to Trustee;
 - (b) To the Association, the full amount of principal, interest, attorney's fees, and other charges due and unpaid;
 - (c) Any amounts required by law to be paid before payment to the defaulting Owner; and
 - (d) To the parties entitled to same, any balance.

The Association, acting on behalf of the Owners shall have the power to bid for the interest foreclosed at foreclosure sale and to acquire and hold, lease, mortgage and convey the same; and to subrogate so much of its right to such liens as may be necessary or expedient to an insurance company continuing to give total coverage notwithstanding nonpayment of such defaulting Owner's portion of the premium for fire and other hazard insurance.

If any of the property is sold under this lien, the defaulting Owner shall immediately surrender possession to the purchaser. If the defaulting Owner fails to do so, the defaulting Owner shall become a tenant at will of the purchaser, subject to an action for forcible detainer. Recitals in any trustee's deed conveying the property will be presumed to be true. Notwithstanding anything contained herein to the contrary, an Owner may give to the Association, subject to acceptance thereof by the Association, a deed in lieu of foreclosure.

Section 9. Subordination of the Lien to Mortgages. The lien of 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 or Declarant 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 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 the Owner of the Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 10. Exempt Property. All property 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.

Section 11. Reserves and Surplus. The Association's Board of Directors may establish, from time to time, reserves for such lawful purposes as in its sole discretion it may determine necessary to be desirable for the greater financial security of the Association and the effectuation of its purpose. The Association shall not be obligated to spend in any fiscal year all of the sums collected in such year, and may carry forward, as surplus, any balances remaining; nor shall the Association be obligated to apply any such surplus to the reduction of the amount of the annual assessment in the succeeding year, but may carry forward same from year to year.

Section 12. Establishment of Working Capital Fund. Notwithstanding anything contained herein to the contrary, Declarant shall establish a working capital fund to insure that the Association will have the funds to meet unforeseen expenditures or to purchase any additional equipment or services. The fund should equal at least one-quarter

(1/4) of the current annual assessment for each Lot as determined by the Board of Directors in their sole discretion. Any amounts paid into this fund should not be considered as advance payments of regular annual assessments. Upon the later conveyance of any Lot, the new purchaser shall be required to pay any difference between the actual amount in the fund for such Lot and the then current assessment rate for the Lot.

Section 13. Collection of Working Capital Fund. Each Lot's share of the working capital fund shall be collected from the purchaser at the time the sale of the Lot is closed and then shall be transferred to the Association for deposit to a segregated fund. Within three (3) years after the closing has been held for the first Lot, the Declarant shall pay each unsold Lot's share of the working capital fund to the Association. The Declarant shall be reimbursed for this payment by the purchaser of each previously unsold Lot when the sale of such Lot closes.

ARTICLE V

MAINTENANCE

The Association shall provide for maintenance of the Common Area and Hike and Bike Trail Easement Area, including the trees, shrubs, grass, walks, and any improvements located on said property.

In the event that the need for maintenance or repair of the Common Area and the Hike and Bike Trail Easement Area, or the improvements thereon is caused through the willful or negligent acts of an Owner, or through the willful or negligent acts of the family, guests or invitees of the Owner, the cost of such maintenance or repair shall be added to and become part of the assessment of the Lot owned by the Owner.

ARTICLE VI

INSURANCE

Section 1. Public Liability Insurance. The Association shall obtain broad form public liability insurance protecting the Association, the Board of Directors, Officers, Employees and/or Agents of such Association, in a combined single limit amount of not less than One Million and No/100 Dollars (\$1,000,000.00), or such other comparable insurance as the Association deems desirable. Premiums for public liability insurance shall be part of the common expense payable out of annual assessments provided herein. Each Owner shall be responsible for his own personal liability insurance for any area other than the Common Area.

The Association may secure such other forms of insurance coverage as the Board of Directors may from time to time direct, to be paid as a common expense.

Section 2. Common Area Improvements. The Association shall procure and maintain fire and extended coverage for all improvements located on Common Area in an amount sufficient to cover the full replacement cost thereof.

Section 3. Other Insurance. The Association shall have the authority to procure whatever other forms of types of insurance, including Director's/Officer's Insurance and Fidelity Bonds, as it deems desirable.

ARTICLE VII

EASEMENTS

Section 1. Utility Easements. There is hereby created a Blanket Easement upon, across, over and under all of the Property for ingress, egress, installation, replacing, repairing and maintaining all utilities, including but not limited to water, sewers, gas, telephones and electricity, and a master or cable television antenna or satellite system. By virtue of this Easement, it shall be expressly permissible for the company providing electrical, water, sewer, gas, master or cable television antenna, and/or telephone service to install, erect and maintain all necessary pipes and conduit underground and other necessary equipment at or below grade on the Property and to affix and maintain electrical, cable television and/or telephone wires, circuits and conduits on, above, across and under the roofs and exterior walls of said Homes, and meters and shutoffs at or inside said Home.

Notwithstanding anything herein to the contrary, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on the Property except as initially replanned and approved by the Declarant or thereafter approved by the Declarant or the Association's Board of Directors. Should any utility furnishing a service covered by the general Easement herein provided request a specific Easement by a separate recordable document, Declarant shall have the right to grant such Easement on the Property without conflicting with the terms hereof, so long as such specific Easement does not increase the burden upon the Property. The Easement provided for in this Article shall in no way affect any other recorded easement on the Property.

Section 2. Hike and Bike Trail Easement Area. The Hike and Bike Trail Easement Area shall be an easement for the common use and enjoyment of all Members of the Association subject to the rights of the Association as set out in this Declaration. The Owners of Lots 12 through 23, Block 5, by accepting a deed thereto, acknowledge the existence of this easement and the burden placed upon their particular Lot, including the fence requirements set out in Article X, Section 6, herein. Further, they agree to allow the Association access to the Hike and Bike Trail Easement Area to improve and maintain same, and they agree not to obstruct or interfere in any way with the use of this area by any Member or the Association.

ARTICLE VIII

ARCHITECTURAL CONTROL COMMITTEE

Section 1. Creation of Architectural Control Committee. The Lots shall be subject to the oversight of an architectural control committee ("ACC") established in the Original Declaration. All decisions in approving plans shall be made by majority approval of the plans by the members of the ACC appointed in accordance with the above provisions. All plans approved by the ACC shall be binding on the Association and any Owner.

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 ACC.

(b) Final plans, specifications, and foundation designs shall be delivered in duplicate to the ACC at such address as the Association shall designate. 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 Association 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 ACC 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 the ACC 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 ACC 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 ACC for initial construction 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 ACC shall have full power and authority to approve, or disapprove, compliance with the fencing requirements imposed when an existing homeowner purchases a contiguous Lot next to or behind his existing residence. Owners must comply with the fencing requirements illustrated in Exhibits "B" and "C" to these Declarations, within ninety (90) days after acquiring ownership of the Lots. If two Lots are purchased either side-by-side or back-to-back, the Owner must fence the nonresident Lot during the construction period of the primary residence. All yards forward of the fence to the street must be planted in grass and trees as specified on Exhibits "B" and "C." All yards forward of the fence shall be maintained by the Owner in a manner consistent with landscaping in front of a house, as established by the ACC, as appropriate.

(g) The ACC 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 ACC, with the design or overall character and aesthetics of the properties. The ACC 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.

(h) In the interest of design innovation and avoidance of hardship, the ACC shall have the power and authority, in its sole discretion, to accept plans and specifications which do not fully comply with the restrictions herein

imposed, or which do not meet the minimum construction or architectural design requirements as herein provided, if and in the event said proposed plans and specifications are deemed to be in compliance with the overall character and aesthetics of the properties and subdivision, these restrictions, and are further deemed by the ACC, in its sole discretion, to be substantially in compliance with the construction or architectural design requirements provided herein.

Section 3. Waiver of Liability. Neither the ACC nor any individual member or members thereof shall have any liability to any party for any reason by virtue of any action taken pursuant to these Restrictions, and all owners of all Lots within said Subdivision hereby expressly waiver and relinquish any claims or causes of action against the ACC, its members, agents and/or representatives.

Section 4. Minimum Construction Standards. The ACC 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 ACC or in any manner determinative of the approval or disapproval by the ACC 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.

ARTICLE IX.

GENERAL COVENANTS

Section 1. Estate. Each Lot shall be conveyed as a separately designated and legally described freehold estate subject to the terms, conditions and provisions hereof.

Section 2. Construction Period. Notwithstanding any provisions herein contained to the contrary, it shall be expressly permissible for Declarant to maintain during the period of construction and sale of any Lots upon such portion of the premises as Declarant deems necessary, such facilities as may be reasonably required, convenient or incidental to the construction and sale of said Lots, including, but without limitation, a business office, storage area, construction yards, signs, model units and sales office.

Section 3. Modification. No modification of any kind to the exterior of the Home, either to the structure or the appearance thereof, including, but not limited to, the walls, roof, windows and doors, the color of exterior walls, roof, windows, doors and trim, awnings, fences, mechanical devices, flags, storage structures or bunting shall be made without first obtaining the express written consent of the Association's Board of Directors, upon due written application made. The Board of Directors shall adopt such rules and regulations to enforce this Section as it, from time to time, deem necessary.

Section 4. Sports Activities. There shall be no organized sports activities in the Common Area, except as designated by the Association's Board of Directors.

Section 5. Other Rules. The Board of Directors may, from time to time, adopt additional rules and regulations governing the use of the Common Area and the Hike and Bike Trail Easement Area and the conduct of all residents and guests on the Property. No action shall be taken by the Association or its Board of Directors which in any manner would discriminate against any Owner in favor of the other Owners.

Section 6. Zoning and Specific Restrictions. This Declaration shall not be taken as permitting any action or thing prohibited by the applicable zoning laws, or the laws, rules or regulations of any governmental authority, or by specific restrictions of record. In the event of any conflict, the most restrictive provisions of such laws, rules, regulations, restrictions of record, or this Declaration shall be taken to govern and control.

Section 7. Use Restrictions.

1. **Purpose.** All Lots in said Subdivision shall be used for single-family dwellings and for no other purpose.

2. **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 ACC shall expressly approve in writing the proposed use of used construction materials.

3. **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 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.

4. **Toilets.** No outdoor toilets which service a dwelling shall be placed on any Lot except as required by the City of Corpus Christi during the construction of a residential structure (which shall not prohibit toilets in swimming pool houses and like facilities).

5. **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.

6. **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') sign in front of each Model Home.

7. **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.

8. **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 ACC. 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 ACC.

9. **Garbage Disposal and Dumping.** Dumpsters are absolutely prohibited from being placed on the Properties except during the construction of a residential structure and then only on the lot where construction is being done. 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 ACC. 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.

10. Microwave, Radio, T.V. Antenna and Solar Collectors. No microwave dishes, radio, citizen band or otherwise, or television aerial wires or antennas shall be maintained on any portion of any Lot, or in the Common Area, except direct broadcast satellite (DBS) antennae less than one meter in diameter, multichannel multipoint distribution system (MMDS) antennae less than one meter in diameter, or television broadcast antennae, which Owners shall screen from view as much as possible without impairing the installation, maintenance or use. Solar apparatus, if erected, must be maintained in such a way that it is screened from view. All matters set forth in this provision require the express approval, in advance, of the ARC, which shall be exercised in conformity with the rules of the Federal Communications Commission.

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

12. Animals. No insects, reptiles, poultry or animals of any kinds, 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 Board, they must be removed from the Subdivision.

13. Utilities and Easements. Except for special Street lighting or other aerial facilities which may be placed on the Properties by 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 ACC. 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.

14. Window or Wall Air Conditioner Units. 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 ACC.

15. 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 Areas.

16. Lot Consolidation. Any Owner owning two (2) or more adjoining Lots or portions of two or more such Lots may, with the prior approval of the ACC or Declarant, consolidate such Lots or portions thereof into a single building site for the purpose of constructing one (1) residence and such other improvements as are permitted herein, provided, however, that the Lot resulting from such consolidation shall bear, and the Owner thereof shall be responsible for, all assessments theretofore applicable to the Lots which are consolidated and each such building site shall meet, all lawful requirements of any applicable statute, ordinance or regulation.

17. 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.

18. Construction in Conformity with Law. All construction on every Lot and the uses of every Lot shall conform with all Ordinances of the City of Corpus Christi relating to building, safety, fire protection and zoning.

19. Height Restriction. No building or structure erected, altered or placed on, within or in the Property shall exceed two (2) standard stories in height, provided, however, that all applicable ordinances, regulations, and statutes with respect to the maximum height of buildings and structures shall be complied with at all times.

ARTICLE X

SIZE, DESIGN AND PLACEMENT

Section 1. Facing. The main dwelling on each Lot shall be constructed to face the Street upon which such Lot fronts as determined by the ACC.

Section 2. Height and Floor Area Limitations. No building shall be permitted on any Lot unless it complies with the following:

- (a) No dwelling, garage or appurtenant building shall exceed two (2) stories in height.
- (b) For all of the Lots in Wood Estates Unit 2B, 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, breeze ways or other appendages, shall contain a minimum of twenty-five hundred (2,500) square feet.
- (c) For all of the Lots in Wood Estates Unit 2B, 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, breeze ways or other appendages, shall contain a minimum of one thousand five hundred (1,500) square feet, and the total square footage of such dwelling shall be not less than twenty-five hundred (2,500) square feet.

Section 3. Exterior Walls. Unless prior written approval of a variance is given by the ACC, the exterior walls of the ground floor of each dwelling and garage shall be not less than fifty-one percent (51%) natural stone, brick or stucco. Masonry or concrete impregnated fiberboard products will not satisfy the 51% requirement in the previous sentence. 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 ACC. 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 ACC.

Section 4. 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 ACC.

Section 5. Foundations. On all main buildings and on all out-buildings, either attached or detached, unless otherwise approved by the ACC, 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 ACC. 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 Association and Declarant with respect to the soil conditions. The ACC, in requiring the submission of engineered foundation plans, assumes no responsibility for the suitability, efficacy or appropriateness of the particular design submitted. The purpose in requiring the submission of engineered plans is to insure that the foundation design has been done by a professional who will be responsible for the design proposed.

Section 6. 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 or side Lot line, on a corner lot, than the minimum building setback line shown on the recorded plat of the Properties, or in any event, forward of the front wall of the main dwelling. No fence shall be constructed higher than six feet (6') (unless otherwise approved by the ACC) and all fences shall be subject to approval by the ACC. Chain link, hurricane, and like fences are prohibited. In addition, to avoid obstruction of the Hike and Bike Trail Easement Area, Owners of Lots 12 through 23, Block 5, are required to construct a fence that is no more and no less than six feet (6') in from the rear property lines, such rear property lines are depicted on the Plat of Wood Estates Unit 2B. Such rear property line fences shall be constructed of 1" x 6" x 6' cedar pickets with the pickets placed on the outside of the stringers/posts. With respect to all other lots in Wood Estates Unit 2B, the rear fence shall be built on the rear property line, as such rear property lines are depicted on the Plat of Wood Estates Unit 2B.

Section 7. 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 ACC 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.

Section 8. Detached Building Locations. Any garage, servants quarters or any outbuilding of any kind detached from the main dwelling shall be located no closer than seventy-five (75) feet from back of the curb in the front of the house, shall be located no nearer the side Lot line than six feet (6'), and shall comply with the rear setback line as noted on the Plat of Unit 2B unless otherwise approved in writing by the ACC.

Section 9. 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.

Section 10. 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 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.

Section 11. Landscaping. Prior to the occupancy of any dwelling, except as otherwise approved by the ACC, the Owner thereof will plant and maintain a minimum of two (2) three inch (3") diameter trees, ten (10) shrubs and a complete grass covering in all areas of the lot between the street in front of such home, and the location of the front edge of the foundation. 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, 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. 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.

Section 12. Tennis courts. No tennis court or related lighting shall be constructed or placed upon any Lot, unless otherwise approved by the ACC.

Section 13. 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 ACC 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 ACC, 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 ACC.

Section 14. 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 ACC 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 hottubs, sun bathing areas, servicing equipment, etc.

Section 15. 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.

ARTICLE XI

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. Damages shall not be deemed adequate relief for any breach or violation of any provisions hereof. Any person or entity entitled to enforce any provision hereof shall be entitled to relief by way of injunction as well as any other available relief either at law or in equity. Any party to a proceeding who succeeds in enforcing any provision herein or enjoining the violation of any provision herein against an Owner shall be awarded a reasonable attorney's fee and court costs against such Owner.

Section 2. Right to Abate. Violation or breach of any provision herein contained shall give Declarant, or the Association, their respective legal representatives, heirs, successors and assigns, in addition to all other remedies, the right to enter upon the land upon or as to which such violation or breach exist and summarily to abate and remove, at the expense of the Owner thereof, any erection, thing or condition that may be or exist thereon contrary to the intent and meaning of the provisions hereof; and the said parties shall not thereby be deemed guilty of any manner of trespass for such entry, abatement or removal. Nothing herein contained shall be deemed to affect or limit the rights of the Owners of the Lot within the Property to enforce this Declaration by appropriate judicial proceeding.

Section 3. No Waiver. The failure of Declarant, the Association or the Owner of any Lot included in the Property, their respective legal representatives, heirs, successors and assigns, to enforce any provision herein contained shall in no event be considered a waiver of the right to do so thereafter, as to the same violation or breach or as to such a violation or breach occurring prior or subsequent thereto.

Section 4. Severability. The determination by a court that any provision hereof is invalid for any reason shall not affect the validity of any other provision hereof.

Section 5. Authorization of Board. 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 Association's Board of Directors 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 Association's Board of Directors or any other person or entity entitled to enforce the provisions hereof shall be resolved in favor of the construction or interpretation of the Association's Board of Directors.

The Association's Board of Directors, to the extent specifically provided herein, may adopt and promulgate reasonable rules and regulations regarding the administration, interpretation and enforcement of the provisions of this Declaration. In so adopting and promulgating such rules and regulations, and in making any finding, determination, ruling or order or in carrying out any directive contained herein relating to the issuance of permits, authorizations, approvals, rules or regulations, the Association's Board of Directors shall take into consideration the best interests of the Owners and of the Property to the end that the Property shall be preserved and maintained as a high quality community.

In granting any permit, authorization, or approval, as herein provided, the Association's Board of Directors may impose any conditions or limitations thereon as it shall deem advisable under the circumstances in each case in light of the considerations set forth in the immediately preceding paragraph hereof.

The Association shall indemnify and hold harmless its Board of Directors, Officers, Employees and/or Agents from any and all liability in connection with such capacities, so long as the causes of liability were fraud or gross negligence.

Section 6. Observance Hereof. Each grantee accepting a deed, lease or other instrument conveying any interest in any Lot, whether or not the same incorporates or refers to this Declaration, covenants for himself, his heirs, successors and assigns to observe, perform and be bound by this Declaration and to incorporate the same by reference in any deed or other conveyance of all or any portion of his interest in any real property subject hereto.

Section 7. Duration. The covenants and restrictions of this Declaration shall run with and bind the Property, for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless upon a vote of not less than 75% of all votes entitled to be cast.

Section 8. FHA/VA/FNMA/FHLMC Approval. As long as there is a Class B membership and there is a valid VA, FHA, FNMA or FHLMC letter of acceptance (or equivalent) on the Property, the following actions will require the prior approval of said entity: Annexation of additional Properties, dedication of Common Area, and amendment of this Declaration of Covenants, Conditions and Restrictions (except for ministerial amendments specially provided herein).

Section 9. Regulatory Requirements. Declarant hereby reserves the right, without the necessity of joining any Owner or Mortgagee, to further amend this Declaration to meet any requirement of the Federal Housing Administration, Veteran's Administration, Federal Home Loan Mortgage Corporation, or Federal National Mortgage Association so long as Declarant is the Owner of any Class B Membership as set forth herein, and each Owner, by accepting conveyance of any Lot subject to this Declaration does hereby grant to Declarant a specific irrevocable power of attorney, which power is coupled with an interest, to execute and file for record any such amendments to this Declaration as may hereafter be necessary to meet the requirements of the said Federal Housing Administration, Veteran's Administration, Federal Home Loan Mortgage Corporation or Federal National Mortgage Association.

ARTICLE XII

LIENHOLDER

The owners and holders of the only liens covering the Property, have executed this Declaration to evidence their joinder in, consent to, and ratification of the imposition of the foregoing covenants, conditions and restrictions. However, the joinder of the lienholder is not to be construed as a representation by the lienholder as to the adequacy of this Declaration or the Property in general, but instead their joinder is merely to evidence their consent to this Declaration. No violation of any of any restrictions or covenants herein shall defeat or render invalid the lien of any mortgage made in good faith and for value upon any portion of the Property; provided however, that any mortgagee in actual possession, or any purchaser at any mortgagee's foreclosure sale, shall be bound by and subject to this Declaration as fully as any Owner of any portion of the Property.

ARTICLE XIII

AMENDMENT

Section 1. Material Amendments. The consent of the Owners of Homes to which at least sixty-seven percent (67%) of the votes in the Association are allocated shall be required to add or amend any material provisions to this Declaration or to the Bylaws including those provisions which provide for, govern or regulate any of the following:

