

R011 850 IMAGE 212

A M E N D E D
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR

340957 ✓

SOUTH FORK TOWNHOMES
 A Planned Unit Development

FILED FOR RECORD

SEP 28 4 59 PM '83

Marion Heltinger

COUNTY CLERK WUECES COUNTY TX

TABLE OF CONTENTS

ARTICLE I DEFINITIONS

- Section 1. "Association"
- Section 2. "Owner"
- Section 3. "Properties"
- Section 4. "Common Area"
- Section 5. "Building Site"
- Section 6. "Home"
- Section 7. "Declarant"

ARTICLE II PROPERTY RIGHTS

- Section 1. Owners' Easements of Enjoyment
- Section 2. Delegation of Use
- Section 3. Parking Rights
- Section 4. Exclusive Use Areas

ARTICLE III MEMBERSHIP AND VOTING RIGHTS

- Section 1. Membership
- Section 2. Voting Rights

ARTICLE IV COVENANT FOR MAINTENANCE ASSESSMENTS

- Section 1. Creation of the Lien and Personal Obligation of Assessments
- Section 2. Purpose of Assessments
- Section 3. Maximum Annual Assessment
- Section 4. Special Assessments for Capital Improvements
- Section 5. Notice and Quorum for any Action authorized under Sections 3 and 4
- Section 6. Uniform Rate of Assessment
- Section 7. Unimproved Building Site(s) Owned by Declarant
- Section 8. Date of Commencement of Annual Assessments and Due Dates
- Section 9. Effect of Nonpayment of Assessments and Remedies of the Association
- Section 10. Subordination of the Lien to Mortgages
- Section 11. Exempt Property
- Section 12. Reserves and Surplus

ARTICLE V EXTERIOR MAINTENANCE

ARTICLE VI PARTY WALLS

- Section 1. General Rules of Law to Apply
- Section 2. Sharing of Repair and Maintenance
- Section 3. Destruction by Fire or Other Casualty
- Section 4. Weatherproofing
- Section 5. Right to Contribution Runs with Land
- Section 6. Arbitration

ARTICLE VII INSURANCE AND CONDEMNATION

- Section 1. Physical Damage Insurance
- Section 2. Public Liability Insurance
- Section 3. Limitations on Hazards
- Section 4. Repair or Reconstruction After Fire or Other Casualty
- Section 5. Other Insurance
- Section 6. Condemnation
- Section 7. Alternative Means of Administration

ARTICLE VIII EASEMENTS

STATE OF TEXAS }
 COUNTY OF WUECES }
 I hereby certify that this instrument was FILED on the
 date and at the time stamped herein by me, and was duly
 RECORDED, in the Volume and Page of the named RECORDS
 of Wueces County, Texas, as stamped herein by me, on

SEP 28 1983



Marion Heltinger
 COUNTY CLERK
 WUECES COUNTY, TEXAS

1130- David J. Conolly
 59348.0. Staples
 78413
 VER 5

DZCpg070783

ROLL 860 IMAGE 213

- Section 1. Encroachments
- Section 2. Utility Easements

ARTICLE IX GENERAL COVENANTS

- Section 1. Estate
- Section 2. Construction Period
- Section 3. Private Gardening
- Section 4. Modification
- Section 5. Unsightly Objects
- Section 6. Sports Activities
- Section 7. Use of Garage
- Section 8. Other Rules
- Section 9. Zoning and Specific Restrictions
- Section 10. Architectural Control
- Section 11. Use Restrictions
 - 1. Activity
 - 2. Mineral Exploration
 - 3. Signs
 - 4. Temporary Structures
 - 5. Parking
 - 6. Toilets and Dumping
 - 7. Garbage Disposal
 - 8. Clotheslines
 - 9. T.V. Aerials
 - 10. Construction in Conformity with Law
 - 11. Materials
 - 12. Animals

ARTICLE X ANNEXATION

ARTICLE XI GENERAL PROVISIONS

- Section 1. Enforcement
- Section 2. Right to Abate
- Section 3. No Waiver
- Section 4. Severability
- Section 5. Authorization of Board
- Section 6. Observance Hereof
- Section 7. Duration and Amendment
- Section 8. FHA/VA Approval
- Section 9. Regulatory Requirements

ARTICLE XII LIENHOLDER

BOOK 860 PAGE 214

A M E N D E D
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

SOUTH FORK TOWNHOMES
A Planned Unit Development

THIS DECLARATION, made on the date hereinafter set forth by CANDY STICK CORPORATION, INC., a Texas Corporation, hereinafter referred to as "Declarant".

W I T N E S S E T H

WHEREAS, on the 16th day of June, 1982, Declarant imposed certain Covenants, Conditions and Restrictions upon the below described property ("Phase I Property"), through that certain DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR SOUTH FORK SUBDIVISION, CORPUS CHRISTI, TEXAS ("Original Declaration"), recorded as Clerk's File No. 280650, Volume 1831, Page 769, Deed Records, Nueces County, Texas, such property being situated in Nueces County, Texas, and more particularly described as follows ("Phase I Property"), to-wit:

Lot Three (3), Block One (1); Lot Three (3), Block Two (2); and Lot One (1), Block Three (3), SOUTH FORK SUBDIVISION, CORPUS CHRISTI, TEXAS, a Subdivision in the City of Corpus Christi, Nueces County, Texas, as shown by map or plat thereof, recorded in Volume 47, Pages 118-121, Map Records, Nueces County, Texas; and, Lot Three (3), Block One (1) having been replatted into Lot Three-R (3-R), Block One (1), SOUTH FORK SUBDIVISION, CORPUS CHRISTI, TEXAS, a Subdivision in the City of Corpus Christi, Nueces County, Texas, as shown by map or plat thereof, recorded in Volume 48, Pages 13 and 14, Map Records, Nueces County, Texas (being sometimes referred to herein simply as "3-R"); and

WHEREAS, on the 4th day of April, 1983, Declarant annexed additional property to the Original Declaration such that said Annexed Property ("Lot Four-RR (4-RR)") should be held, sold and conveyed subject to all of the covenants, conditions and restrictions set forth in the Original Declaration, and any amendments thereto, by a certain CERTIFICATE OF ANNEXATION TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR SOUTH FORK SUBDIVISION, CORPUS CHRISTI, TEXAS, being recorded as Clerk's File No. 313895, Volume 1863, Page 26, Deed Records, Nueces County, Texas ("Annexation Certificate of Lot Four-RR (4-RR)"), the property having been annexed being more particularly described as follows, to-wit:

All of Lot Four-R (4-R), Block One (1), SOUTH FORK SUBDIVISION, CORPUS CHRISTI, TEXAS, a Subdivision in the City of Corpus Christi, Nueces County, Texas, as shown by map or plat thereof, recorded in Volume 48, Pages 30-31, Map Records, Nueces County, Texas; and being later replatted as Lot Four-RR (4-RR), Block One (1), SOUTH FORK SUBDIVISION, CORPUS CHRISTI, TEXAS, a Subdivision in the City of Corpus Christi, Nueces County, Texas, as shown by map or plat thereof, recorded in Volume 48, Pages 157 and 158, Map Records, Nueces County, Texas; and

ROLL 860 IMAGE 215

WHEREAS, on the 4th day of April, 1983, Declarant annexed additional property to the Original Declaration such that said Annexed Property ("Lot Two-R (2-R)") should be held, sold and conveyed subject to all of the covenants, conditions and restrictions set forth in the Original Declaration, and any amendments thereto, by a certain CERTIFICATE OF ANNEXATION TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR SOUTH FORK SUBDIVISION, CORPUS CHRISTI, TEXAS, being recorded as Clerk's File No. 313871, Volume 1863, Page 4, Deed Records, Nueces County, Texas ("Annexation Certificate of Lot Two-R (2-R)"), the property having been annexed being more particularly described as follows, to-wit:

All of Two-R (2-R), Block One (1), SOUTH FORK SUBDIVISION, CORPUS CHRISTI, TEXAS, a Subdivision in the City of Corpus Christi, Nueces County, Texas, as shown by map or plat thereof, recorded in Volume 48, Pages 44-45, Map Records, Nueces County, Texas.

WHEREAS, said Original Declaration provided for amendment of same, with which provision's compliance is here made, it being the desire of the undersigned to impose the following covenants, conditions and restrictions upon the property described above as Phase I, Lot Two-R (2-R) and Lot Four-RR (4-RR) (all of the above described tracts being collectively referred to herein as the ("Property") and/or the ("Subject Property") in place and in lieu of the covenants, conditions and restrictions imposed by the Original Declaration, this Declaration to have the effect of fully superseding the covenants, conditions and restrictions of the Original Declaration.

NOW THEREFORE, Declarant hereby declares that all of the Properties described above shall be held, sold and conveyed subject to the following covenants, conditions and restrictions ("Restrictions") which are for the purpose of protecting the value and desirability of, and which shall run with, the Properties and be binding on all parties having any right, title or interest in the described Properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof, and this Declaration shall replace the Original Declaration in every respect, which Original Declaration shall be of no further force or effect upon the title to the subject properties.

ROLL 860 IMAGE 216

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to SOUTH FORK HOMEOWNERS ASSOCIATION, INCORPORATED, a Nonprofit Corporation, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of a fee simple title to any building site which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" 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.

Section 4. "Common Area" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the Owners. The Common Area to be unencumbered and owned by the Association at the time of the conveyance of the first building site is described as follows:

All of Lot Three (3), Block Two (2), and Lot One (1), Block Three (3), SOUTH FORK SUBDIVISION, a Subdivision in the City of Corpus Christi, Nueces County, Texas, as shown by map or plat thereof, recorded in Volume 47, Pages 118-121, Map Records, Nueces County, Texas; commonly known as SOUTH FORK TOWNHOMES, a Planned Unit Development; All of Lot Three-R (3-R), Block One (1), SOUTH FORK SUBDIVISION, a Subdivision in the City of Corpus Christi, Nueces County, Texas, as shown by map or plat thereof, recorded in Volume 48, Pages 13 and 14, Map Records, Nueces County, Texas; All of Lot Four-RR (4-RR), Block One (1), SOUTH FORK SUBDIVISION, CORPUS CHRISTI, TEXAS, a Subdivision in the City of Corpus Christi, Nueces County, Texas, as shown by map or plat thereof, recorded in Volume 48, Pages 157 and 158, Map Records, Nueces County, Texas; and All of Lot Two-R (2-R), Block One (1), SOUTH FORK SUBDIVISION, CORPUS CHRISTI, TEXAS, a Subdivision in the City of Corpus Christi, Nueces County, Texas, as shown by map or plat thereof, recorded in Volume 48, Page 44-45, Map Records, Nueces County, Texas; SAVE AND EXCEPT ALL BUILDING SITES LOCATED ON SAID LOT(S).

Section 5. "Building Site" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

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

ROLL 850 IMAGE 217

Section 7. "Declarant" shall mean and refer to CANDY STICK CORPORATION, a Texas Corporation, its successors and assigns if such successors or assigns should acquire more than one (1) undeveloped building site from the Declarant for the purpose of development.

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 which shall be appurtenant to and shall pass with the title to every building site, subject to the following provisions:

- (A) The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;
- (B) The right of the Association to suspend the voting rights and right to use of the recreational facilities by an Owner for any period during which any assessment against his building site remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations; and
- (C) 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.
- (D) The right of individual Owners to the exclusive use of certain grassy areas, certain designated parking spaces or porch, patio and garden areas as provided by this Article.

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 facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

FOI: 860 IMAGE 218

Section 3. Parking Rights. Ownership of each building site shall entitle the Owner or Owners thereof to the use of not more than two (2) automobile parking spaces, which shall be as near and convenient to said building site as reasonably possible, together with the right of ingress and egress in and upon said parking area. The Association shall permanently assign one (1) vehicle parking space for each bedroom, not to exceed two (2) vehicle parking spaces.

Section 4. Exclusive Use Areas. Ownership of each building site designated below shall entitle the Owner(s) thereof to the exclusive use and enjoyment of the below described Common Area, together with the obligation to maintain, the rights of ingress and egress in and upon, and the right to enclose with a perimeter fence, the Exclusive Use Areas described in the attached Exhibit "A", made a part hereof for all pertinent purposes.

The Exclusive Use Areas provided herein shall be vested property rights which run with the land, and shall not be terminated or revoked without the prior written consent of the subject Owner(s) and such Owner's mortgagee, if any.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Owner of a building site 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 building site 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 building site owned. When more than one (1) person holds an interest in any building site all such persons shall be members. The vote for such building site shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any building site.

PAGE 860 IMAGE 219

Class B. The Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each building site 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 January 1, 1990.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each building site owned within the Properties, hereby covenants, and each Owner of any building site, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is 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. 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 other Owner, other than Declarant. 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 building site 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.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties and for the improvement and maintenance of the Common Area and of the homes

R011 850 IMAGE 220

situated upon the Properties. The assessments shall be placed in an account ("Common Fund") for such purposes.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first building site to an Owner, the maximum annual assessment excluding the premium, if any, charged for fire and extended coverage as herein provided, shall be FOUR HUNDRED TWENTY AND NO/100 DOLLARS (\$420.00) per building site, except that such annual assessment may be increased as follows:

- (A) From and after January 1 of the year immediately following the conveyance of the first building site to an Owner, the maximum annual assessment per building site may be increased each fiscal year not more than ten percent (10%) above the maximum assessment for the previous year without a vote of the membership.
- (B) From and after January 1 of the year immediately following the conveyance of the first building site to an Owner, the maximum annual assessment per building site 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 meeting duly called for this purpose.
- (C) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

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 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

ROLL 860 IMAGE 221

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 one-half (1/2) 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. Except as specifically provided in Section 7 of this Article, both annual and special assessments must be fixed at a uniform rate for all building sites and may be collected on a monthly basis.

Section 7. Unimproved Building Site(s) Owned by Declarant. Declarant shall pay as an annual maintenance charge for each unimproved building site owned by it an amount which shall be equal to twenty-five percent (25%) of the then existing full maintenance charge assessed for each building site, unless and until a home has been built and completed thereon and city residential occupancy approval has been obtained therefor. 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 building site has been prepaid at twenty-five percent (25%) of the full maintenance charge then assessed, then for the portion of the calendar year remaining as herein provided, the then Owner of such building site shall be obligated to pay to the Association, on the date the full maintenance charge becomes applicable as herein provided, that pro rata portion of the difference between (i) the full maintenance charge then assessed and (ii) the unimproved building site maintenance charge which has been prepaid, which pro rata 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). The term "substantial completion" as used in this Declaration shall

ROLL 850 IMAGE 222

mean that the residence is ready for sale or occupancy, except for minor items which must be furnished, completed, corrected or adjusted.

Section 8. Date of Commencement of Annual Assessments and Due Dates. Except as specifically provided in Section 7 of this Article, the annual assessments provided for herein shall commence as to all building sites 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 building site at least thirty (30) days in advance of each annual assessment 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 shall collect each month from the Owner of each building site, one-twelfth (1/12th) of the annual assessment for each building site. 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 building site have been paid. A properly executed certificate of the Association as to the status of assessments on a building site is binding upon the Association as of the date of its issuance.

Section 9. 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 ten percent (10%) 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 building site, 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 building site, or by renunciation of membership in the Association.

ROLL 860 IMAGE 223

Each such Owner, by acceptance of a deed to a building site, 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 foreclosure by an action brought in the name of the Association in a like manner as a 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.

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 article 3810, Revised Civil Statutes of Texas, 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 defaulting Owner, 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 deemed conclusively 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 10. 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 for any part of the purchase price of any building site 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 building site 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 building site shall not affect the assessment lien. However, the sale or transfer of any building site pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such building site from liability for any assessments thereafter becoming due or from the lien thereof.

Section 11. Exempt Property. All properties dedicated to, and accepted by, a local public municipality or authority, the Common Area, and Exclusive Use Areas, if any, 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 12. 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.

ARTICLE V

EXTERIOR MAINTENANCE

In addition to maintenance upon the Common Area, the Association shall provide exterior maintenance upon each building site which is subject to assessment hereunder, as follows: paint, repair, replacement and care of roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks, and other exterior improvements. Such exterior maintenance shall not include glass surfaces, enclosed patio areas (if any), windows, doors and garage doors, or their fixtures or hardware, landscaping installed by Owner (if any), exterior light fixtures operated from a Home, mechanical equipment and exterior hardware servicing a particular Home.

In the event that the need for maintenance or repair of a building site or the improvements thereon is caused through the willful or negligent acts of its Owner, or through the willful or negligent acts of the family, guests or invitees of the Owner of the building site needing such maintenance or repair, the cost of such exterior maintenance shall be added to and become part of the assessment of which such building site is subject.

In the event an Owner of any building site in the Properties shall fail to maintain the premises and the improvements situated thereon (other than those repairs to be provided by the Association) in a manner satisfactory to the Board of Directors, the Association, after approval by two-thirds (2/3rds) vote of the Board of Directors, shall

ROI: 850 IMAGE 226

have the right, through its agents and employees, to enter upon said parcel and to repair, maintain, and restore the building site and the exterior of the buildings and any other improvements erected thereon. The cost of such exterior maintenance shall be added to and become part of the assessment to which such building site is subject.

ARTICLE VI

PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the homes upon the Properties and placed on the dividing line between the building site, shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

ROLL 850 IMAGE 227

Section 6. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one (1) arbitrator, and such arbitrators shall choose one (1) additional arbitrator, and the decision shall be by a majority of all the arbitrators.

ARTICLE VII

INSURANCE AND CONDEMNATION

Section 1. Physical Damage Insurance. The Declarant, for each building site owned, hereby irrevocably nominates, and each Owner of any building site by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to irrevocably nominate the Association, as Trustee, with authority to obtain and maintain fire insurance and extended coverage for all Homes, insuring the building and fixtures (permanently attached to the building) in an amount sufficient to cover the full replacement cost thereof. Such insurance, to the extent available, may include (but not to the exclusion of other coverage deemed appropriate by the Association) coverage against water damage, flood insurance, vandalism and malicious mischief. Such policies of physical damage insurance shall be written in the name of the Association, as Trustee for each building site Owner, and shall contain Waivers of Subrogation against individual building site Owners, the Association, its Board of Directors, Officers, Employees and/or Agents, and Waivers of any reduction of pro rata liability of the insurer as a result of any insurance carried by any building site Owner, or, of the invalidity arising from any acts of the insureds, or any building site Owner, and shall provide that such policies may not be cancelled or substantially modified without at least thirty (30) days prior written notice to all of the insureds, including any mortgagee of any building site, unless an endorsement for such period is unavailable, in which case the standard policy time period shall apply.

Each policy shall contain a Texas Standard Mortgage clause in favor of any first mortgagee of any building site, which shall provide that the loss, if any, shall be payable to such first mortgagee as its

interest may appear, subject however, to the loss payment provisions in favor of the Association as set forth herein. All such policies shall provide that adjustments of loss shall be made by the Association with the approval of the building site Owner, and that the net proceeds therefrom shall be payable to the Association, as Trustee.

The premiums for insurance obtained by the Association on each building site shall not be part of the common charge under annual assessment, but shall be an expense of the specific Owner of the building site so covered and a debt of such Owner and shall be paid within thirty (30) days after notice and statement thereof. Although the Association shall not be liable for the payment of premiums, in the event of an Owner's default, the Association may advance the payment therefor, on the account of the defaulting Owner. In such event of default, the premium, together with interest, costs and reasonable attorney's fees, shall become a charge and continuing lien against the building site upon which such premium charge is made. Such lien shall have the same priority status and may be enforced in the same manner as the lien for annual or special assessments provided in this Declaration.

Building site Owners shall not be prohibited from carrying additional insurance for their own benefit, provided that such policies contain Waivers of Subrogation against individual building site Owners, the Association, it's Board of Directors, Officers, Employees and/or Agents, and further provided that the liability of the carrier issuing the insurance procured by the Association shall not be affected or diminished by reason of any such additional insurance carried by any building site Owner.

All insurance proceeds paid on any loss claim shall be first deposited in a bank or other financial institution, in an interest bearing account insured by a Federal Government Agency, with provision that such proceeds, or any part thereof, may only be withdrawn upon the signatures of at least two (2) members of the Board of Directors, or their designee. Furthermore, the Association shall thereupon procure

ROLL 860 IMAGE 229

a Fidelity Bond covering it's Board of Directors, Officers, Employees and/or Agents in connection with such proceeds.

Notwithstanding the foregoing provisions of this section, it is further provided that the requirement for the maintenance of insurance on a Home shall not apply to any Home acquired by the Veteran's Administration or Federal Housing Administration under a mortgage foreclosure during the period of ownership by either said Veteran's Administration or the Federal Housing Administration.

The initial policy of physical damage insurance on any particular Home shall be in such amount as may be required by any first mortgagee of such Home, but in no event in an amount less than the amount of the purchase price, less the sum of \$15,000.00. Any building site Owner may, upon written request, direct the Association to increase insurance coverage on his particular Home to such amount as the carrier selected by the Association is willing to underwrite. The amount of such insurance coverage shall be increased annually to cover the increase, if any, in the replacement cost of each Home.

Only the Association, as Trustee, the building site Owner, and his first mortgagee shall be beneficiaries under the policy, although not necessarily named in said policy. Assignment of the policy or of the proceeds of the policy, in the event of loss, shall be prohibited.

The Association may consult with and employ an attorney of its choice with respect to any question relating to its duties or responsibilities hereunder and shall not be liable for any action taken or omitted by it in good faith or on advice of counsel. The Association shall be reimbursed for all expenses incurred by it in connection with its duties under this Article, as a charge against the insurance proceeds, except for such expenses incurred as a result of bad faith or willfull misconduct.

Section 2. 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 DOLLARS (\$1,000,000.00), or such other

comparable insurance as the Association deems desirable. The Association shall also include coverage for individual building site Owners for occurrences on the Property, except for areas reserved for the exclusive use and occupancy of such individual building site Owner. Premiums for public liability insurance shall be part of the common expense payable out of annual assessments provided herein. Each building site Owner shall be responsible for his own personal liability for areas within the exclusive use and occupancy of such Owner.

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

Section 3. Limitations on Hazards. Under no circumstance shall an Owner permit or suffer anything to be done or left in his Home which will increase the insurance rate on his Home or any other Home, or of the Common Area (including the Exclusive Use Areas, if any), other than an endorsement for Tenant Occupancy or Vacancy.

Section 4. Repair or Reconstruction After Fire or Other Casualty.

- (A) In the event of any injury or damage to or destruction of any part of the improvements on the Properties ("Project") as a result of fire or other casualty covered by insurance, the Association shall, except as provided in sub-section (D) below, arrange for the repair and restoration of the improvements (including any damage to Homes, except wall, ceiling, or floor decorations or coverings, or other furniture, furnishings, fixtures, or equipment installed by building site Owners individually), in accordance with the original plans and specifications (except as modified to changed building requirements or conditions), and the Association shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration, in appropriate progress payments.

ROLL 860 IMAGE 231

- (B) If such insurance indemnity or proceeds collected shall exceed the total cost of such reconstruction or repair, then, unless the contract of insurance or the Bylaws, as existing or as may be hereafter amended, shall specify otherwise, the Association or other agent or person named as Trustee in the policy of insurance and collecting such proceeds, shall pay over such excess to the building site Owner (unless otherwise specified by such Owner's loan documents), upon the tender to the Association by such Owner of a duly executed Release of Liability and/or accountability for the use of such insurance proceeds.
- (C) Where the insurance indemnity is insufficient to cover the cost of reconstruction, and reconstruction is required as provided for herein, the building or reconstruction costs in excess of the insurance proceeds shall be paid by the Association from the Common Fund, and in the event the Common Fund is inadequate to cover such cost, such inadequacy shall be paid for by all building site Owners by a special assessment in proportion to their respective interests, as set forth in this Declaration, or as may be provided for in the Bylaws.
- (D) Should two-thirds (2/3) or more of the existing buildings be destroyed or substantially damaged, and should the Association not voluntarily, within one hundred twenty (120) days thereafter, make provision for reconstruction and restoration to the original condition, then any insurance settlement proceeds shall be collected by the Association. After payment of expenses to remove all debris and to restore the land to its pre-existing grade, the proceeds shall be divided according to each building site Owner's interest, and, upon such division, the Association shall hold the share of each building site Owner in a separate trust account. From each separate account, the Trustee shall use and disburse the total amount of each

account toward the full payment of the following, for and on behalf of the building site Owner for whom each account is held:

- (1) The payment of any balance of any mortgage liens on such Owner's building site which are superior to the liens described below, in order of their priority;
 - (2) The payment of taxes and special assessment liens on such building sites in favor of any taxing entity;
 - (3) The payment of such Owner's share of unpaid common expenses and assessments of the Association;
 - (4) The payment of junior liens on such building site, in the order and to the extent of their priority; and
 - (5) The balance remaining, if any, to the building site Owners. The determination of whether two-thirds (2/3) or more of the Project shall have been destroyed or substantially damaged by any fire or other disaster or casualty shall be made by the Association.
- (E) With respect to the allocation of sums required to be paid within the limits of the deductible portion of insurance policies, the party or building site causing the damage shall be responsible for such deductible amount, whether or not caused by the negligence or fault of such building site Owner.

Section 5. Other Insurance. The Association shall have the authority to procure whatever other forms or types of insurance, including Fidelity Bonds, as it deems desirable.

Section 6. Condemnation. If all or any part of the Property is taken or threatened to be taken by eminent domain or by power in the nature of eminent domain (whether permanent or temporary), the Association, as Attorney In Fact, and each Owner shall be entitled to participate in proceedings incident thereto at their respective expense. The Association shall give timely written notice of the existence of such proceedings to all Owners and to all First Mortgagees known to the Association to have an interest in any Building Site. The expense of participation in such proceedings by the Association shall be borne by the Common Fund. The Association, as Attorney In Fact, is specifically authorized to obtain and pay for such assistance from attorneys, appraisers, architects, engineers, expert witnesses and other persons as the Association in its

ROLL 860 IMAGE 233

discretion deems necessary or advisable to aid or advise it in matters relating to such proceedings. All damages or awards for any such taking shall be deposited with the Association, as Attorney In Fact, and such damages or awards shall be applied, and the condemnation process shall operate in the manner set forth herein for casualty loss.

Section 7. Alternative Means Of Administration. Notwithstanding anything contained herein to the contrary, the Association may temporarily withdraw from it's role as Trustee for purposes of administration of insurance policies and/or proceeds (from insurance or condemnation awards), and may provide for each individual building site Owner to make his or her own provision for same, either with respect to a part or the whole of such policies and/or proceeds. In any event, the Association shall have the right and authority, at any time, to resume the administration, as Trustee, of such policies and/or proceeds (from insurance or condemnation awards). In the event separate policies in the name of individual Owners are in effect at a time when the Association desires to act as Trustee, then on the anniversary date of the individually held policies, such policies shall be cancelled and replaced by policies under which the Association is acting as Trustee, in accordance with this Article.

ARTICLE VIII

EASEMENTS

Section 1. Encroachments. Each building site and the Common Area (including Exclusive Use Areas, if any) shall be subject to an Easement for Encroachments created by construction, settling and overhangs of the Homes or other improvements as designed and/or constructed. A valid Easement shall and does exist for said encroachments and for the maintenance of same, so long as they stand.

Section 2. Utility Easements. There is hereby created a Blanket Easement upon, across, over and under all of said properties 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

ROI: 860 IMAGE 234

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 said properties 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 said properties except as initially preplanned 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 said properties without conflicting with the terms hereof, so long as such specific Easement does not increase the burden upon the subject property. The Easement provided for in this Article shall in no way affect any other recorded easement on said premises.

ARTICLE IX

GENERAL COVENANTS

Section 1. Estate. Each building site 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 or the builder of the Homes to maintain during the period of construction and sale of said Homes, 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 Homes, including, but without limitation, a business office, storage area, construction yards, signs, model units and sales office.

ROLL 860 IMAGE 235

Section 3. Private Gardening. No planting or gardening shall be done, and no fences, hedges or walls shall be erected or maintained upon the Properties (which includes the building sites) except that Owners may extend and supplement landscape plantings, (a) between the rear walls of their Home and their building site line, (b) in the immediate area of their entry porch, (c) in planting beds designated on a Landscape Plan along entry paths, if any, and (d) within unsodded areas within their building site lines, provided, (1) all such supplemental plantings be forever maintained by the Owner, and (2) such supplemental landscape plantings are compatible with the existing Landscape Plan. The Association's Board of Directors or their designated Committee may adopt such rules and regulations to govern and enforce the provisions of this section, which rules and regulations may include the right of the Association to maintain any supplemental landscape plantings upon the failure of the Owner to do so, and to impose against such Owner an assessment for the expense incurred. It is expressly acknowledged and agreed by all parties concerned that this Section is for the mutual benefit of all Owners of building sites.

Section 4. 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, 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 5. Unsightly Objects. Each Owner shall maintain, clean and keep free from unsightly objects, the entry, porch, patio or deck and yard of his Home.

Section 6. Sports Activities. There shall be no organized sports activities, in the Common Area, except as designated by the Association's Board of Directors.

ROLL 860 IMAGE 236

Section 7. Use of Garage. The garage of every Home shall be used only for parking motor vehicles and for general storage and shall not be used for human habitation.

Section 8. 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 Restricted Common Area and the conduct of all residents and guests on the Properties. No action shall be taken by the Association or its Board of Directors which in any manner would discriminate against any Owner(s) in favor of the other Owners.

Section 9. Zoning and Specific Restrictions. These Restrictions 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 these Restrictions shall be taken to govern and control.

Section 10. Architectural Control. No building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by an architectural committee composed of three (3) or more representatives appointed by the Owners. In the event said committee fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

Section 11. Use Restrictions.

1. Activity: No commercial activity of any nature shall be carried on upon any building site, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood, and no part of said premises shall be used for the commercial treatment

ROLL 850 IMAGE 237

of tuberculosis or any other contagious or infectious disease. Only pets and animals ordinarily kept as pets in residential subdivisions (specifically excluding cattle, hogs, sheep, goats, poultry, horses and/or wild animals) may be kept on any part of the addition, provided they are not kept or bred for commercial or business purposes.

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

3. Signs: No sign of any kind shall be displayed to the public view except one professional sign advertising the property for sale, or signs used by a builder to advertise the property during the construction and initial sales period of said builder. In no event shall any sign be more than five (5) square feet. These signage restrictions shall not apply to Owners or their successors and/or assigns, during the period in which building sites are initially sold.

4. Temporary Structures: No structure of a temporary nature, nor any trailer, tent, shack, garage or other outbuilding, or any part thereof, shall be used as a residence or dwelling, either temporarily or permanently. Garages, basements and outbuildings that are appurtenant to a residence may be erected on each building site upon which a main dwelling has been erected.

5. Parking: No parking shall be allowed in the streets or in the alleys. As an exception to this restriction, it is agreed that Owners' guests may park their autos in front of building sites during the hours beginning 8:00 A.M. until 12:00 P.M. (Midnight). Buses, trucks in size over one (1) ton, boats, disabled vehicles, recreational vehicles and house trailers may not be parked upon, and vehicles shall not be washed upon, any portion of any building site or any Common Area and shall be kept only in areas designated by the Association.

RC11 860 PAGE 238

6. Toilets and Dumping: No building site shall be used or maintained as a dumping ground for rubbish or trash. No outdoor toilet shall be placed on any building site.

7. Garbage Disposal: Garbage shall be kept in sanitary containers at all times and such containers shall be kept in a clean and sanitary condition. No trash cans or garbage cans shall at any time or times be permitted on the street, or forward of the front building line so that they may be seen by anyone using the street along such building site. All garbage and trash storage and pick-up shall be behind the improvements.

8. Clotheslines: No clotheslines may be placed where they are visible from the street. Such clotheslines must be enclosed by hedge or other type screening enclosure as may be approved by the Committee as a part of the plans for the improvements to be located on the property.

9. T. V. Aerials: No radio or television aerial, satellite receiver, discs or guy wires shall be maintained on any portion of any building site.

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

11. Materials: All materials must be new materials or substantially the same or better than that which can be produced on the date construction on the improvements commenced and no secondhand or used materials shall be utilized in the construction of improvements on any building site within the subdivision.

12. Animals: No horses, cattle, cows, hogs, swine, sheep, goats, poultry or livestock of any kind, other than pets of reasonable kind and number ordinarily kept in residential subdivisions, may be kept on any part of the subdivision. No pets may be kept or bred for commercial or business purposes nor shall they be allowed to run at large within the subdivision. Should ordinary household pets become a nuisance in the opinion of the Declarant, they must be removed from the premises and the addition.

ROLL 860 IMAGE 239

ARTICLE X

ANNEXATION

Additional residential property and Common Area may be annexed to the Properties with the consent of two-thirds (2/3rds) of each class of members, unless otherwise provided herein.

The Declarant may annex additional building sites and Common Areas, as described below, to SOUTH FORK TOWNHOMES, without the consent of members within seven (7) years from the date of this instrument. In the event that there is a valid VA and/or FHA letter of acceptance outstanding regarding SOUTH FORK SUBDIVISION, CORPUS CHRISTI, TEXAS, such annexation shall require a determination that such annexation is in accord with the general plan previously approved by VA and/or FHA. The real property subject to this paragraph is described as follows:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF
FOR ALL PERTINENT PURPOSES.

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 a Restriction or enjoining the violation of a Restriction against an Owner shall be awarded a reasonable attorney's fee against such Owner.

Section 2. Right to Abate. Violation or breach of any Restriction herein contained shall give Declarant, or the Association, their respective legal representatives, heirs, successors and

R011 850 PAGE 240

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 building site within the Properties to enforce these Restrictions by appropriate judicial proceeding.

Section 3. No Waiver. The failure of Declarant, the Association or the Owner of any building site included in the Properties, their respective legal representatives, heirs, successors and assigns, to enforce any Restriction 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 benefited 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

ROLL 850 IMAGE 241

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 Properties to the end that the Properties 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 not in bad faith involving gross negligence.

Section 6. Observance Hereof. Each grantee accepting a deed, lease or other instrument conveying any interest in any building site, whether or not the same incorporates or refers to these Restrictions, covenants for himself, his heirs, successors and assigns to observe, perform and be bound by these Restrictions 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 and Amendment. The covenants and restrictions of this Declaration shall run with and bind the Properties, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration

R011 850 IMAGE 242

may be amended during the first twenty (20) year period by an instrument signed by building site Owners, representing ninety percent (90%) of the vote for the Association, and thereafter by an instrument signed by building site Owners, representing seventy-five percent (75%) of the votes in the Association. Any amendment must be recorded. 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 8. FHA/VA Approval. As long as there is a Class B membership and there is a valid VA or FHA letter of acceptance on the subject property, the following actions will require the prior approval of the Federal Housing Administration or the Veteran's Administration: 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 building site 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

ROLL 860 IMAGE 243

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 Properties, have executed this Declaration to evidence their joinder in, consent to, and ratification of the imposition of the foregoing covenants, conditions and restrictions. No violation of any of these Restrictions shall defeat or render invalid the lien of any mortgage made in good faith and for value upon any portion of the Properties; provided however, that any mortgagee in actual possession, or any purchaser at any mortgagee's foreclosure sale, shall be bound by and subject to these Restrictions as fully as any other Owner of any portion of the Properties.

DATED this 28th day of September, 1983.

DECLARANT

CANDY STICK CORPORATION,
A Texas Corporation

BY: 

ROGER J. SEAMAN, JR., President

BY: 

WALTER SELCER, Vice-President

WINDRUSH, INC.,
A Texas Corporation

BY: 

MARGIE M. MYERS

HERMITAGE HOMES, INC.,
A Texas Corporation

BY: 

WILLIAM H. HOLLAND

BUDDY SEEDS BUILDERS, INC.,
A Texas Corporation

BY: 

ROBERT C. SEEDS, JR., President

ROLL 860 IMAGE 244

CORPUS CHRISTI DESIGNER HOMES, INC.,
A Texas CorporationBY: William B. Pruet, Jr.
WILLIAM B. PRUET, JR., President9400 CORPORATION,
A Texas CorporationBY: Roger J. Seaman, Jr.
ROGER J. SEAMAN, JR., President

THE STATE OF TEXAS §

COUNTY OF NUECES §

This instrument was acknowledged before me on the 27th day of September, 1983, by ROGER J. SEAMAN, JR., President of CANDY STICK CORPORATION, a Texas Corporation, on behalf of said Corporation.



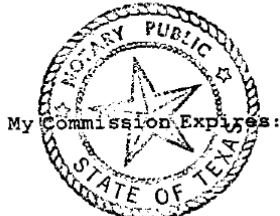
David Z. Conoly
Notary Public in and for
THE STATE OF TEXAS

DAVID Z. CONOLY
MY COMMISSION EXPIRES: 4/01/86

THE STATE OF TEXAS §

COUNTY OF NUECES §

This instrument was acknowledged before me on the 27th day of September, 1983, by WALTER SELCER, Vice-President, of CANDY STICK CORPORATION, a Texas Corporation, on behalf of said Corporation.



David Z. Conoly
Notary Public in and for
THE STATE OF TEXAS

DAVID Z. CONOLY
MY COMMISSION EXPIRES: 4/01/86

THE STATE OF TEXAS §

COUNTY OF NUECES §

This instrument was acknowledged before me on the 28th day of September, 1983, by WILLIAM B. PRUET, JR., President of CORPUS CHRISTI DESIGNER HOMES, INC., a Texas Corporation, on behalf of said Corporation.



David Z. Conoly
Notary Public in and for
THE STATE OF TEXAS

DAVID Z. CONOLY
MY COMMISSION EXPIRES: 4/01/86

ROLL 860 IMAGE 245

THE STATE OF TEXAS

§

COUNTY OF NUECES

§

This instrument was acknowledged before me on the 28th day of September, 1983, by Marqui M. Myers, President of WINDRUSH, INC., a Texas Corporation, on behalf of said Corporation.



My Commission Expires:

Notary Public in and for
THE STATE OF TEXAS

DAVID Z. CONOLY
MY COMMISSION EXPIRES: 4/01/86

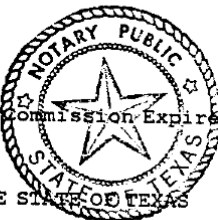
THE STATE OF TEXAS

§

COUNTY OF NUECES

§

This instrument was acknowledged before me on the 28th day of September, 1983, by William H. Holland, President of HERMITAGE HOMES, INC., a Texas Corporation, on behalf of said Corporation.



My Commission Expires:

Notary Public in and for
THE STATE OF TEXAS

DAVID Z. CONOLY
MY COMMISSION EXPIRES: 4/01/86

THE STATE OF TEXAS

§

COUNTY OF NUECES

§

This instrument was acknowledged before me on the 27th day of September, 1983, by ROBERT C. SEEDS, JR., President, of BUDDY SEEDS-BUILDER, INC., a Texas Corporation, on behalf of said Corporation.



My Commission Expires:

Notary Public in and for
THE STATE OF TEXAS

DAVID Z. CONOLY
MY COMMISSION EXPIRES: 4/01/86

THE STATE OF TEXAS

§

COUNTY OF NUECES

§

This instrument was acknowledged before me on the 27th day of September, 1983, by Roger J. Seaman, Jr., President of 9400 Corporation, a Texas Corporation, on behalf of said Corporation.



My Commission Expires:

Notary Public in and for
THE STATE OF TEXAS

DAVID Z. CONOLY
MY COMMISSION EXPIRES: 4/01/86

FDI 860 IMAGE 246

LIENHOLDER:

THE STATE OF TEXAS §

COUNTY OF NUECES §

GILL SAVINGS ASSOCIATION, the Mortgagee of the property described in the above and foregoing DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, such property being commonly known as SOUTH FORK TOWNHOMES, a Planned Unit Development, does hereby ratify and confirm in all things, the foregoing DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, does adopt and in all things confirms the dedication of the easements, parks, streets, drives, lanes and roads as shown on the plat of said SOUTH FORK TOWNHOMES, a Planned Unit Development.

GILL SAVINGS ASSOCIATION

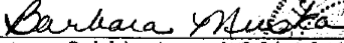
BY: 

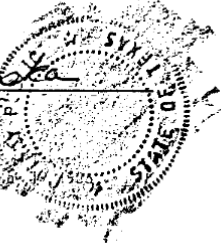
Edward B. Matthews
Senior Vice President

THE STATE OF TEXAS §

Bexar
COUNTY OF NUECES §

This instrument was acknowledged before me on the 21st day of July, 1983, by Edward B. Matthews Senior Vice President of GILL SAVINGS ASSOCIATION, a lending institution, on behalf of said institution.


Notary Public in and for
THE STATE OF TEXAS
BARBARA MUECKE
Notary Public for State of Texas
My Commission Expires 10/1/85



ROLL 860 IMAGE 247

LIENHOLDER:

VICTORIA SAVINGS ASSOCIATION

BY: Albert B. Hornaday
ALBERT B. HORNADAY
Executive Vice-President

THE STATE OF TEXAS §

COUNTY OF NUECES §

VICTORIA SAVINGS ASSOCIATION, the Mortgagee of the property described in the above and foregoing DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, such property being commonly known as SOUTH FORK TOWNHOMES, a Planned Unit Development, does hereby ratify and confirm in all things, the foregoing DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, does adopt and in all things confirms the dedication of the easements, parks, streets, drives, lanes and roads as shown on the plat of said SOUTH FORK TOWNHOMES, a Planned Unit Development.

VICTORIA SAVINGS ASSOCIATION

BY: Albert B. Hornaday
ALBERT B. HORNADAY
Executive Vice-President

THE STATE OF TEXAS §

COUNTY OF NUECES §

This instrument was acknowledged before me on the 20th day of July, 1983, by Albert B. Hornaday, Executive Vice President of VICTORIA SAVINGS ASSOCIATION, a lending institution, on behalf of said institution.

Linda A. Gleinser
Notary Public in and for
THE STATE OF TEXAS

Linda A. Gleinser
My Commission Expires 04/19/87



ROLL 860 IMAGE 248

LIENHOLDER:

THE STATE OF TEXAS §

COUNTY OF NUECES §

MORTGAGE AND TRUST, INC., the Mortgagee of the property described in the above and foregoing DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, such property being commonly known as SOUTH FORK TOWNHOMES, a Planned Unit Development, does hereby ratify and confirm in all things, the foregoing DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, does adopt and in all things confirms the dedication of the easements, parks, streets, drives, lanes and roads as shown on the plat of said SOUTH FORK TOWNHOMES, a Planned Unit Development.

MORTGAGE AND TRUST, INC.

BY:

Rathaeul Anderson, Jr.
RATHAEUL ANDERSON, JR.,
Assistant Vice-President

THE STATE OF TEXAS §

COUNTY OF NUECES §

This instrument was acknowledged before me on the 22nd day of September, 1983, by Rathaeul Anderson, Jr., Asst. Vice President of MORTGAGE AND TRUST, INC., a lending institution, on behalf of said institution.



Sylvia E. Pena Sylvia E. Pena
Notary Public in and for
THE STATE OF TEXAS
My Commission expires: 7-17-85

ROLL 860 IMAGE 249

LIENHOLDER:

PARKDALE BANK

THE STATE OF TEXAS §

COUNTY OF NUECES §

PARKDALE BANK, the Mortgagee of the property described in the above and foregoing DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, such property being commonly known as SOUTH FORK TOWNHOMES, a Planned Unit Development, does hereby ratify and confirm in all things, the foregoing DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, does adopt and in all things confirms the dedication of the easements, parks, streets, drives, lanes and roads as shown on the plat of said SOUTH FORK TOWNHOMES, a Planned Unit Development.

PARKDALE BANK

BY: George Horner, Jr.
George Horner, Jr./Vice President

THE STATE OF TEXAS §

COUNTY OF NUECES §

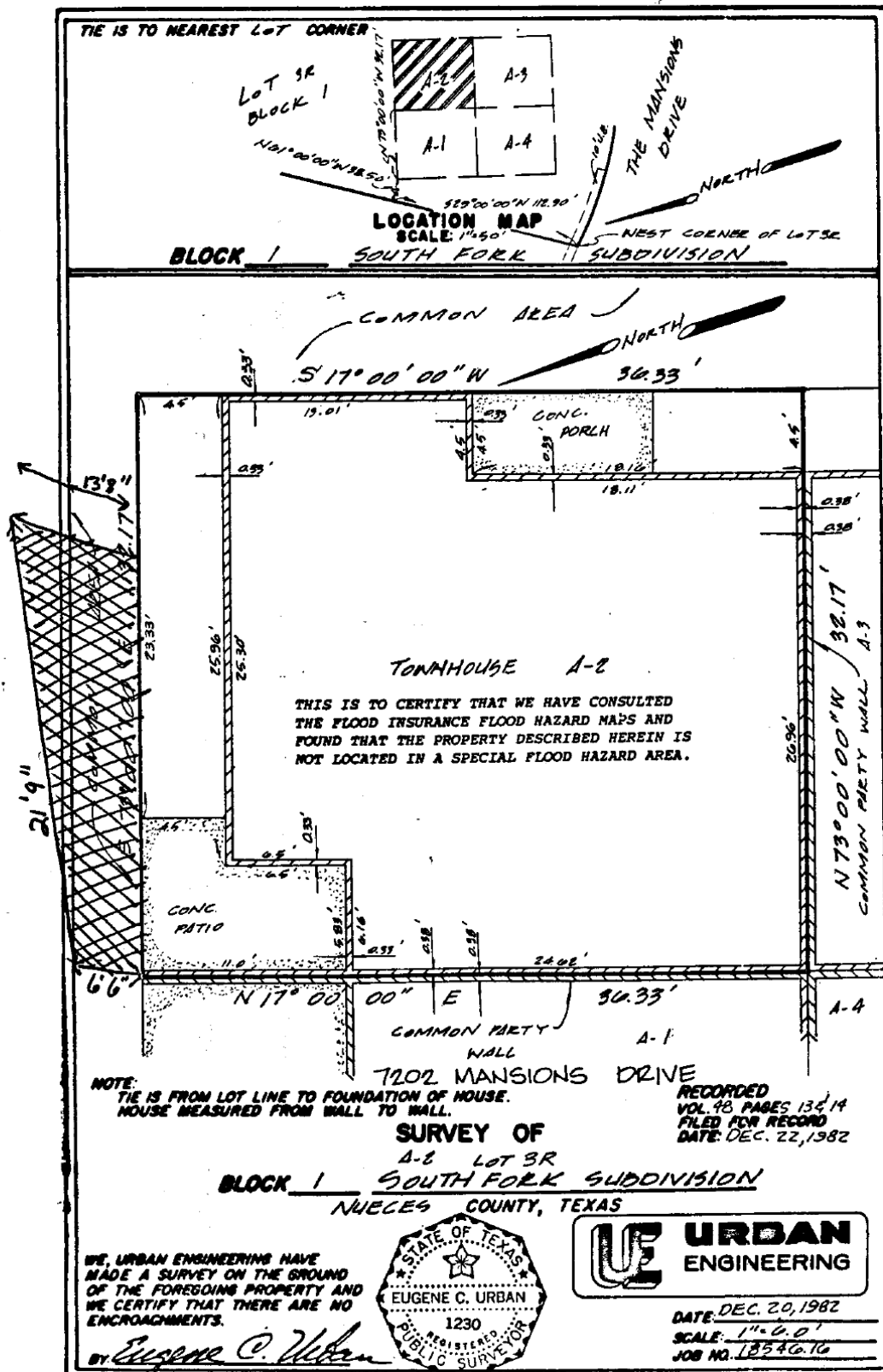
This instrument was acknowledged before me on the 22nd day of September, 1983, by George Horner, Jr./Vice President of PARKDALE BANK, a banking institution, on behalf of said institution.

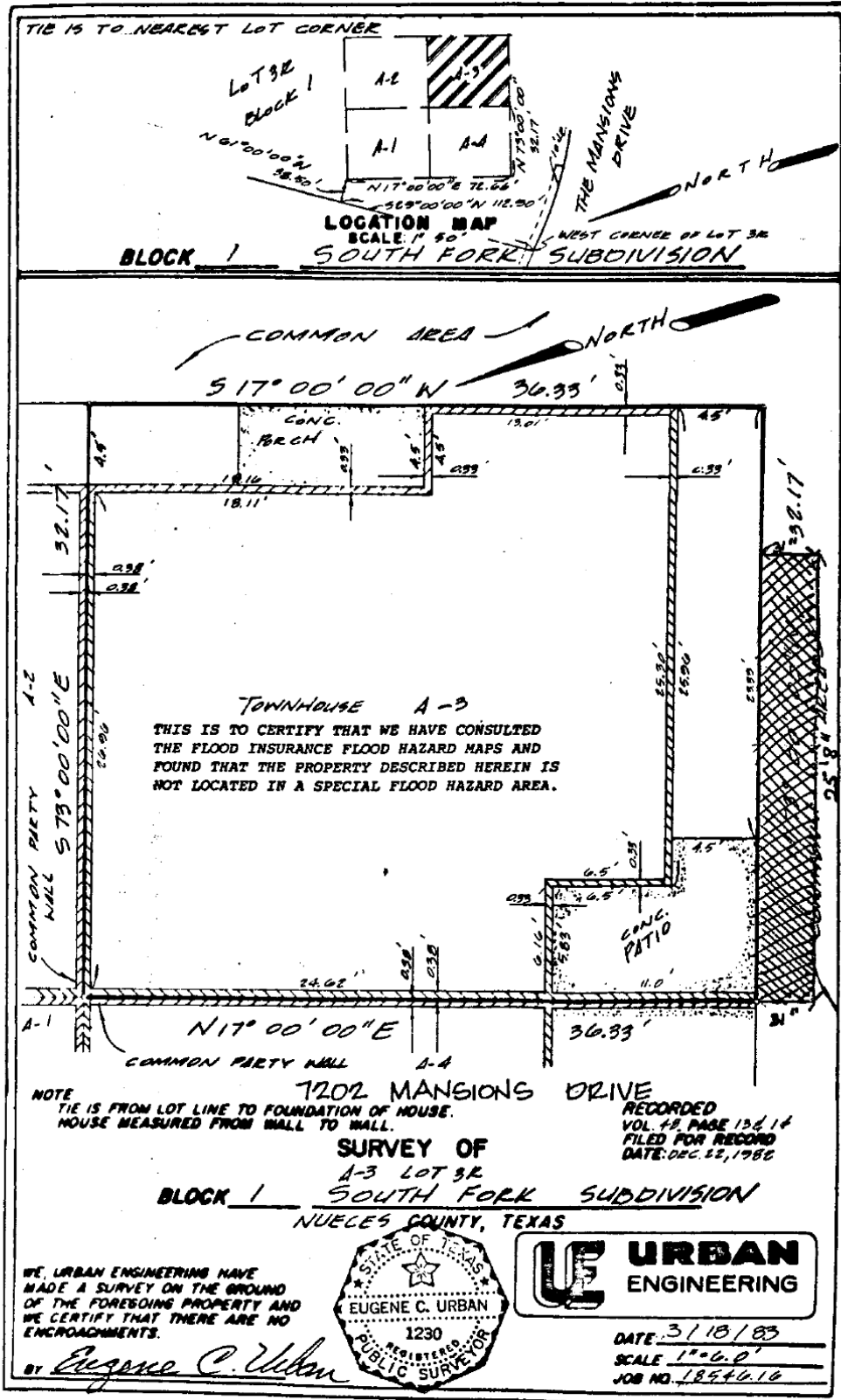


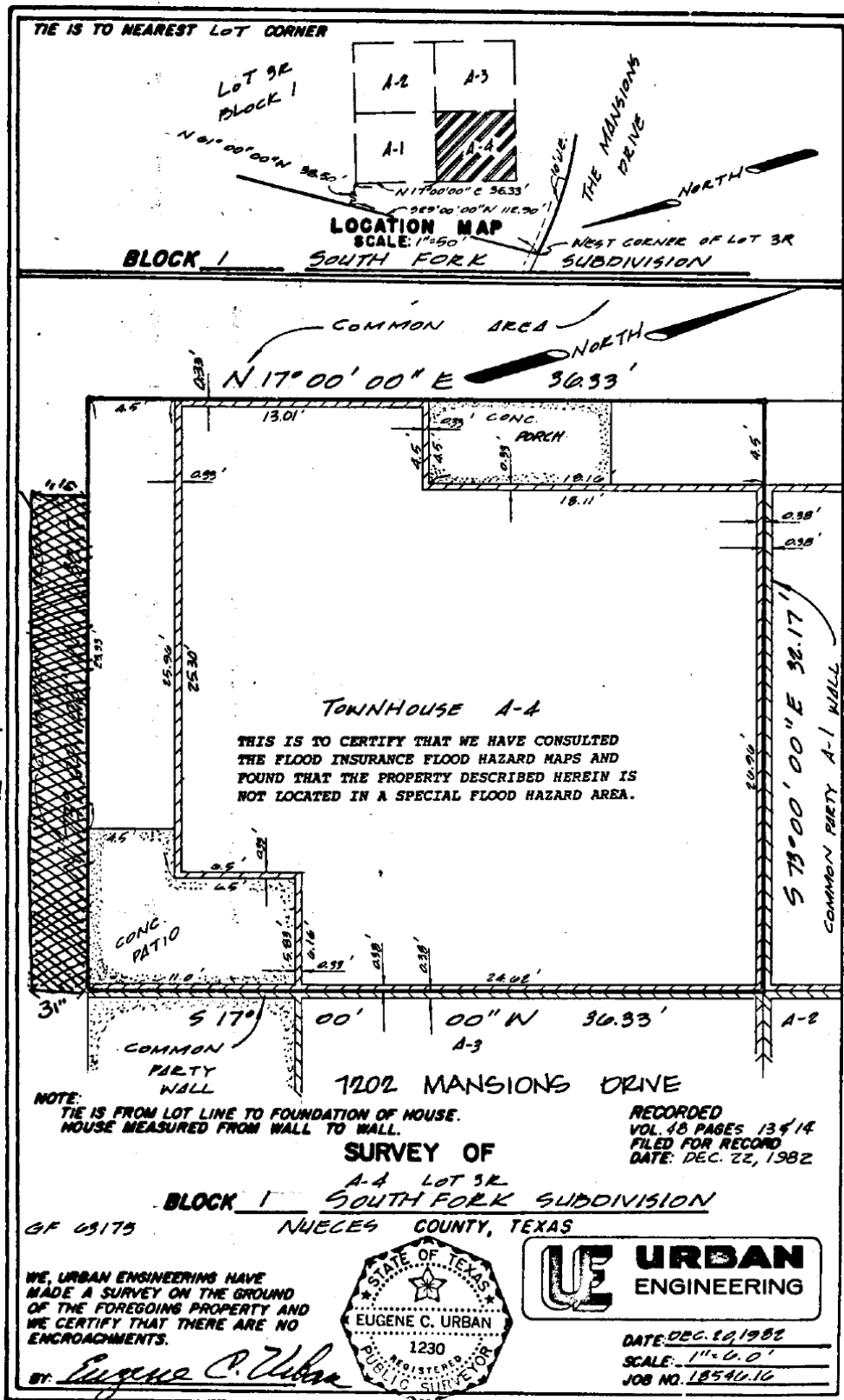
Cherry
Notary Public in and for
THE STATE OF TEXAS

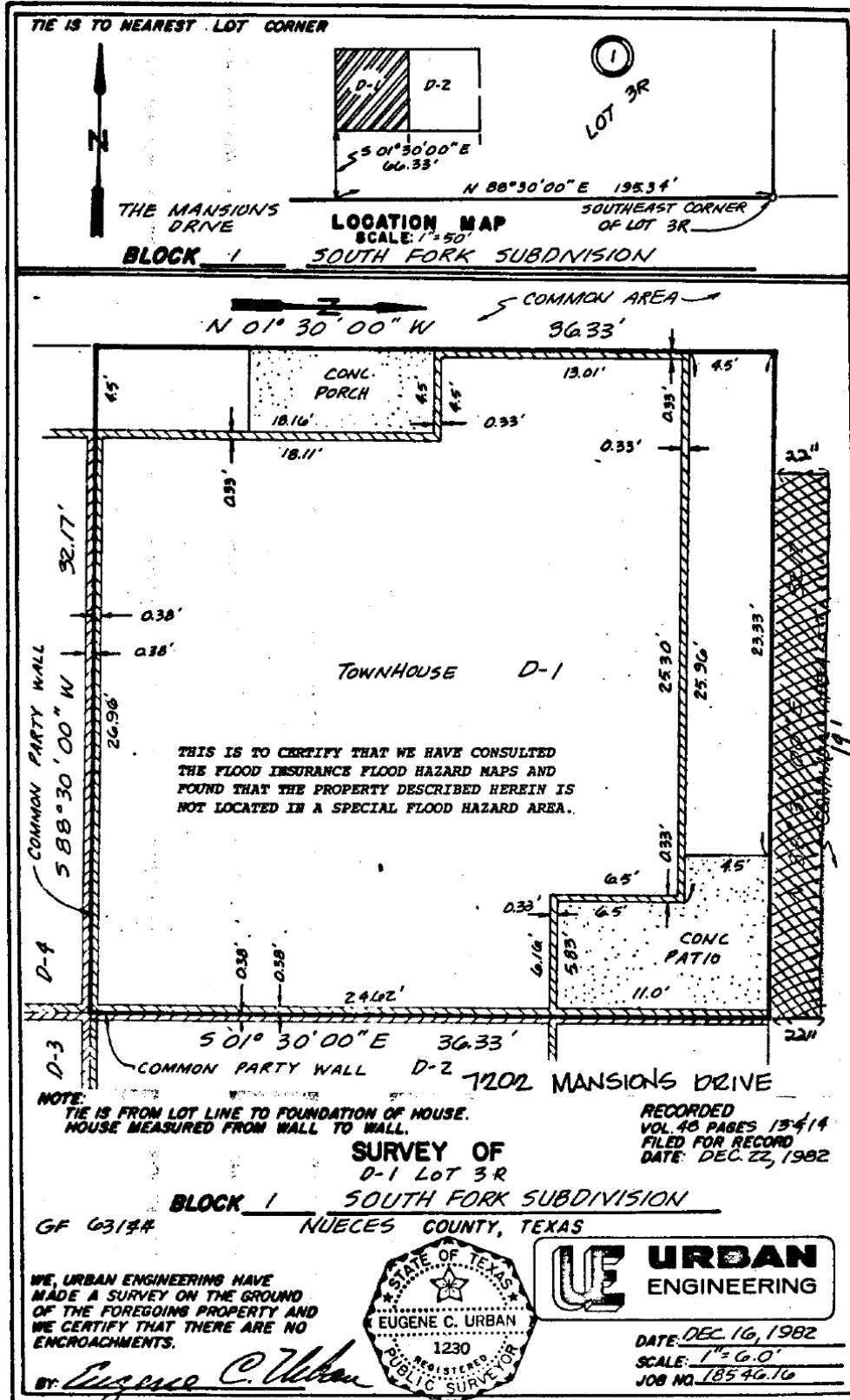


A EXCLUSIVE USE
AREAS.....









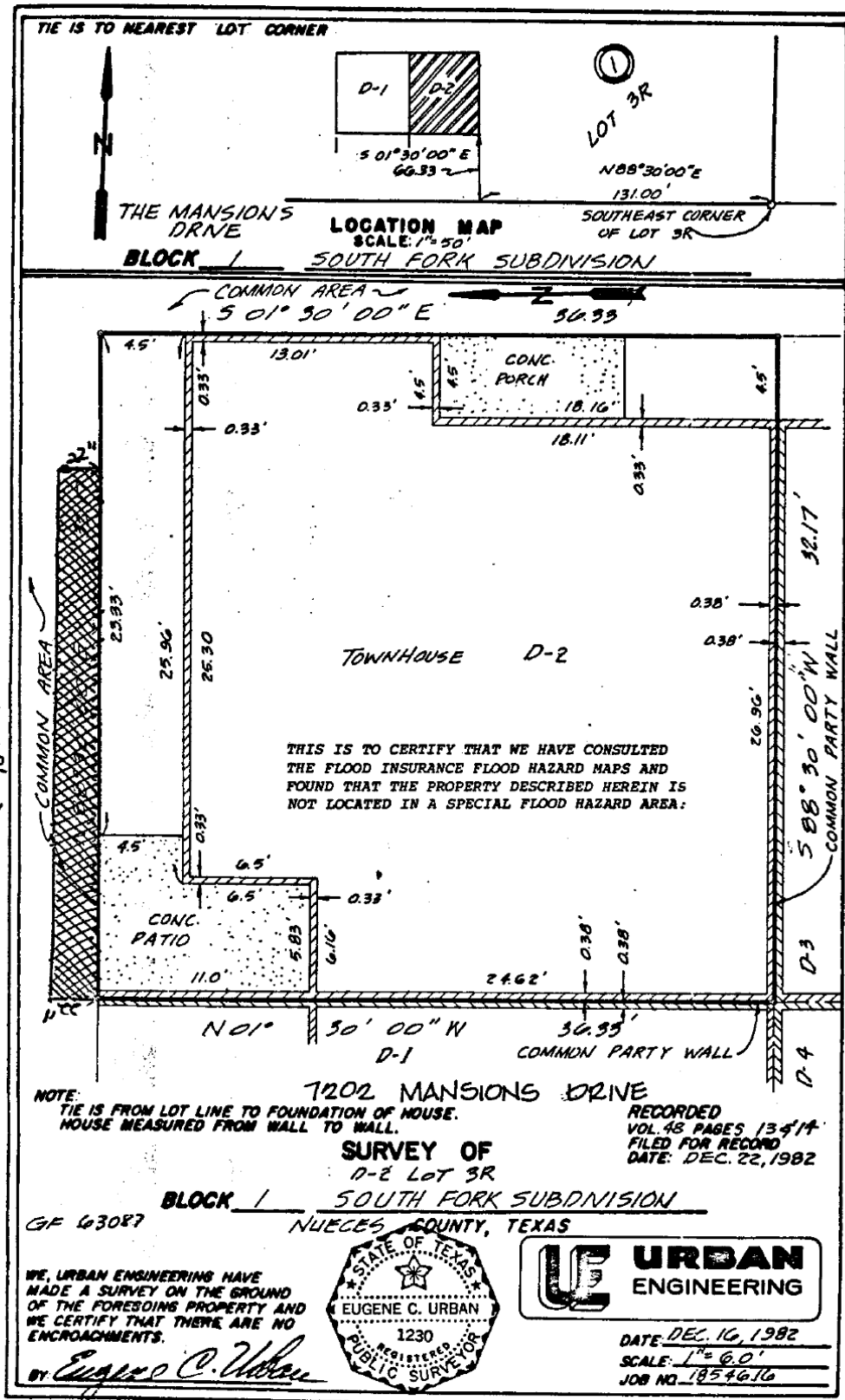
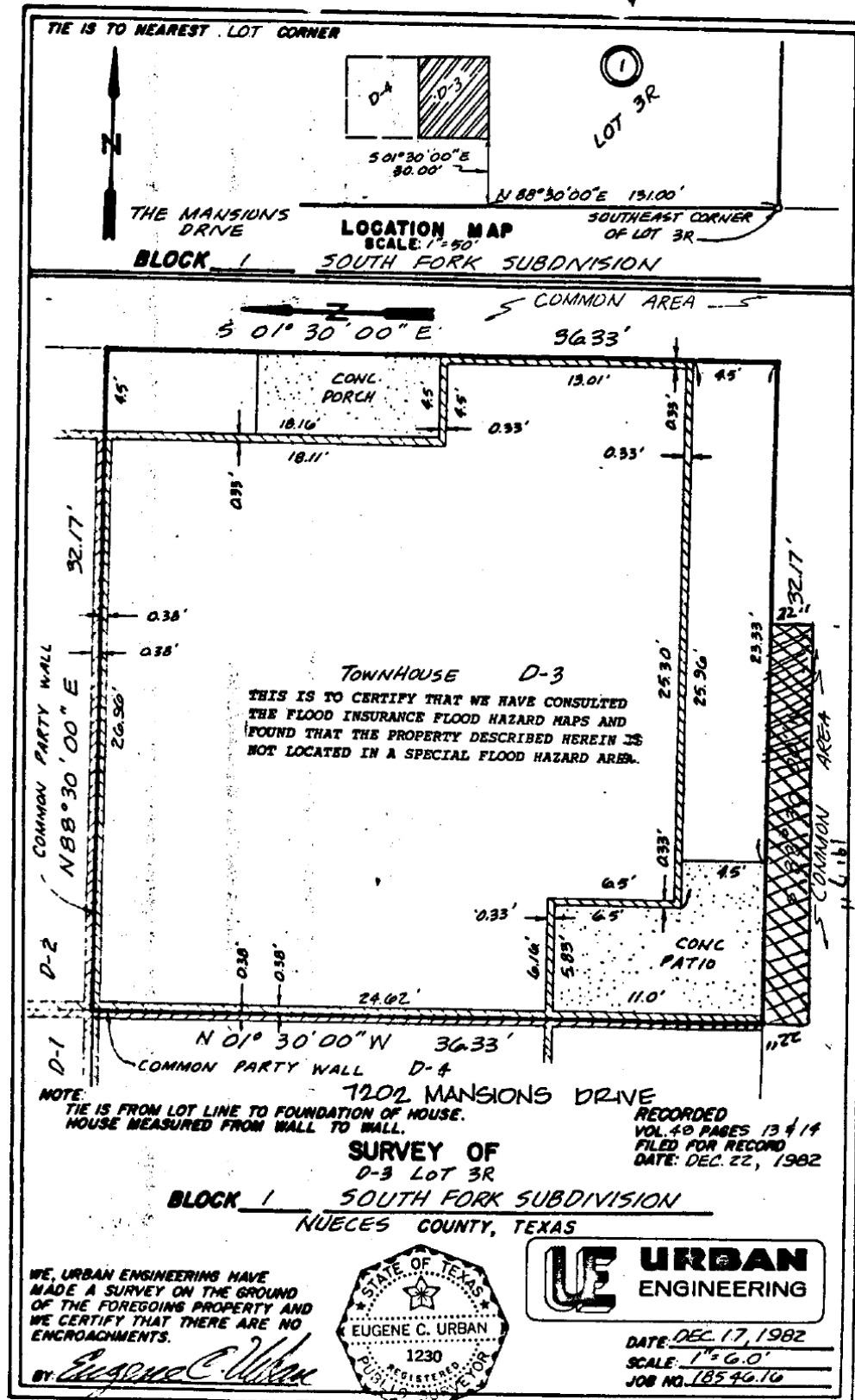
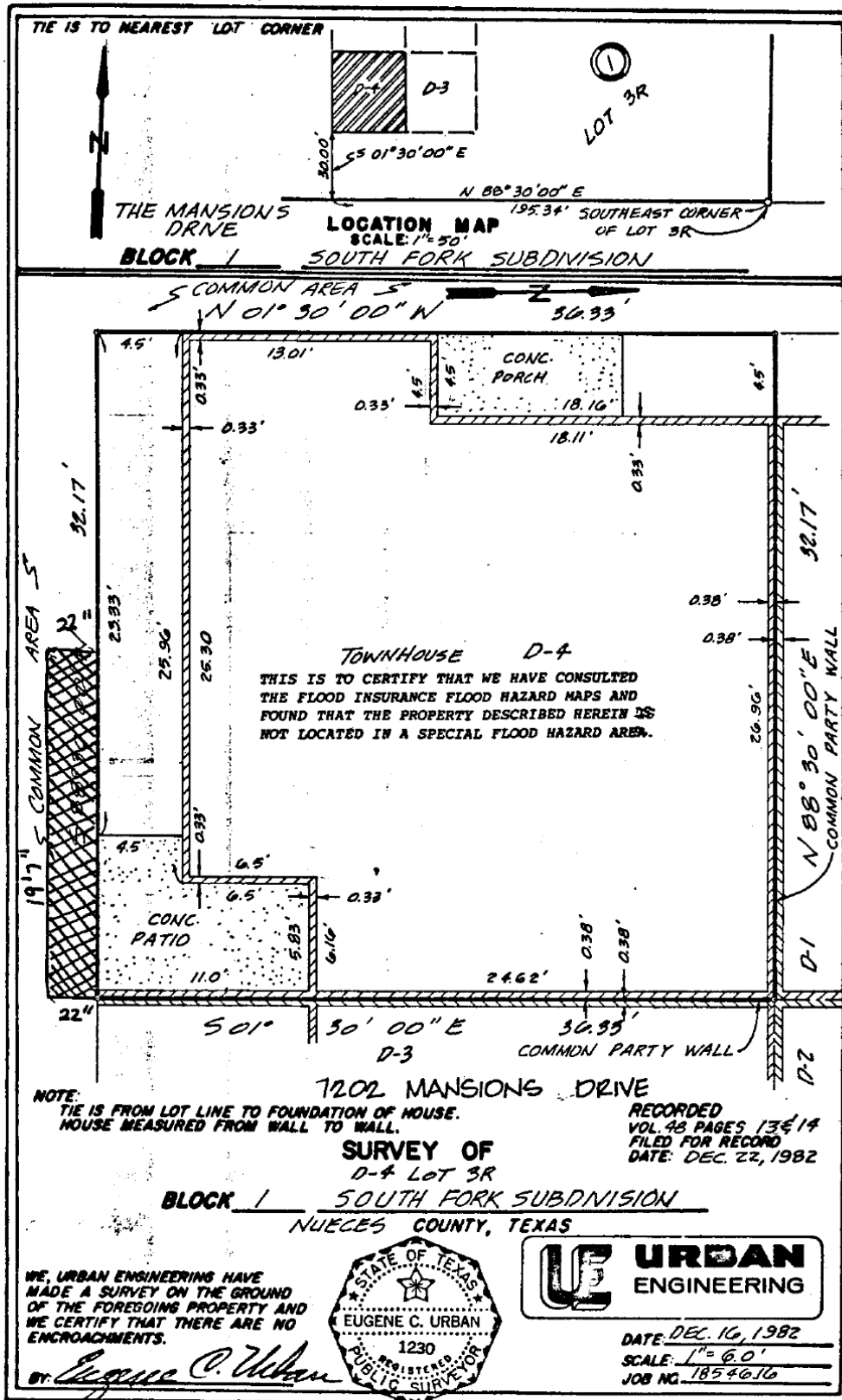
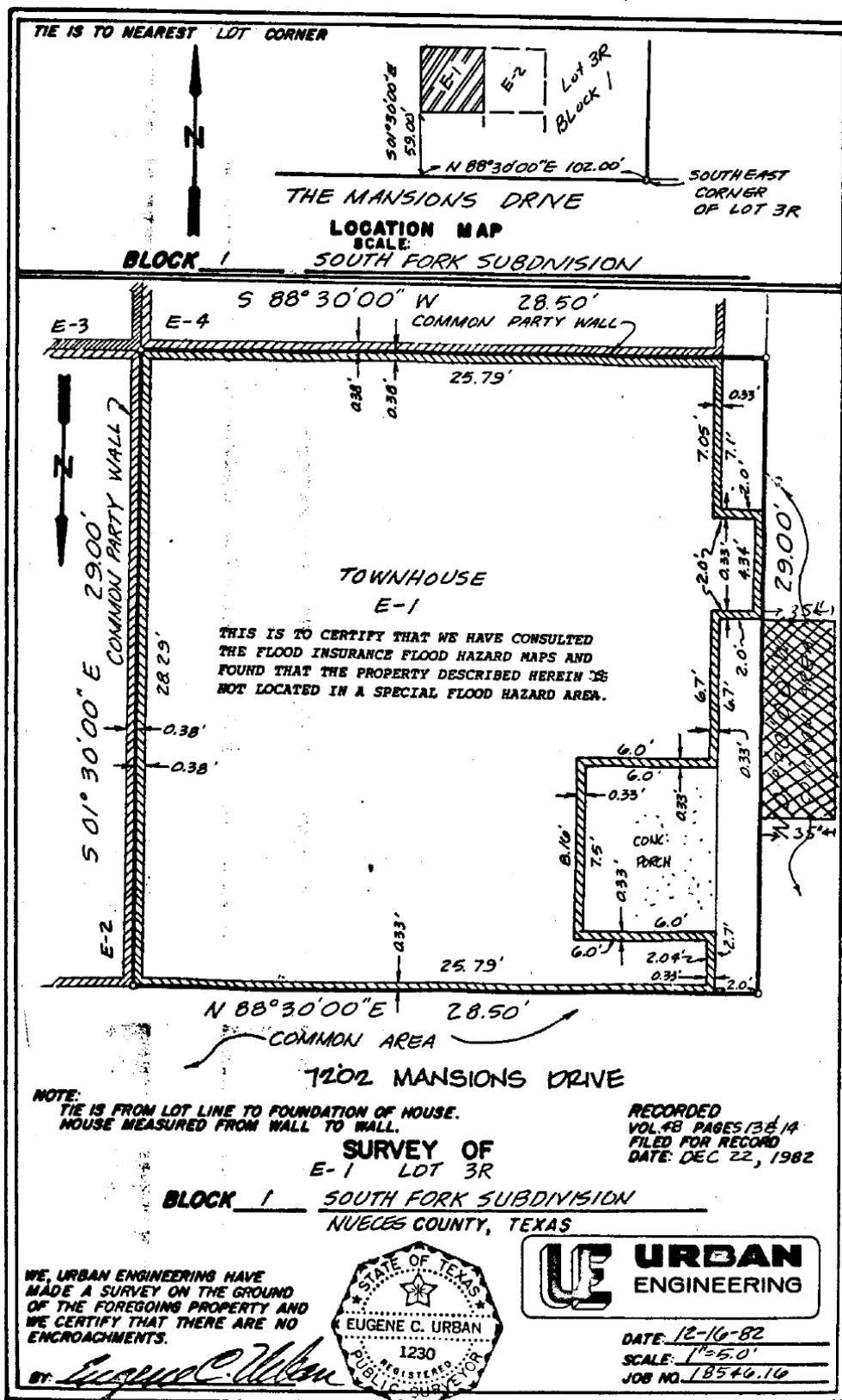


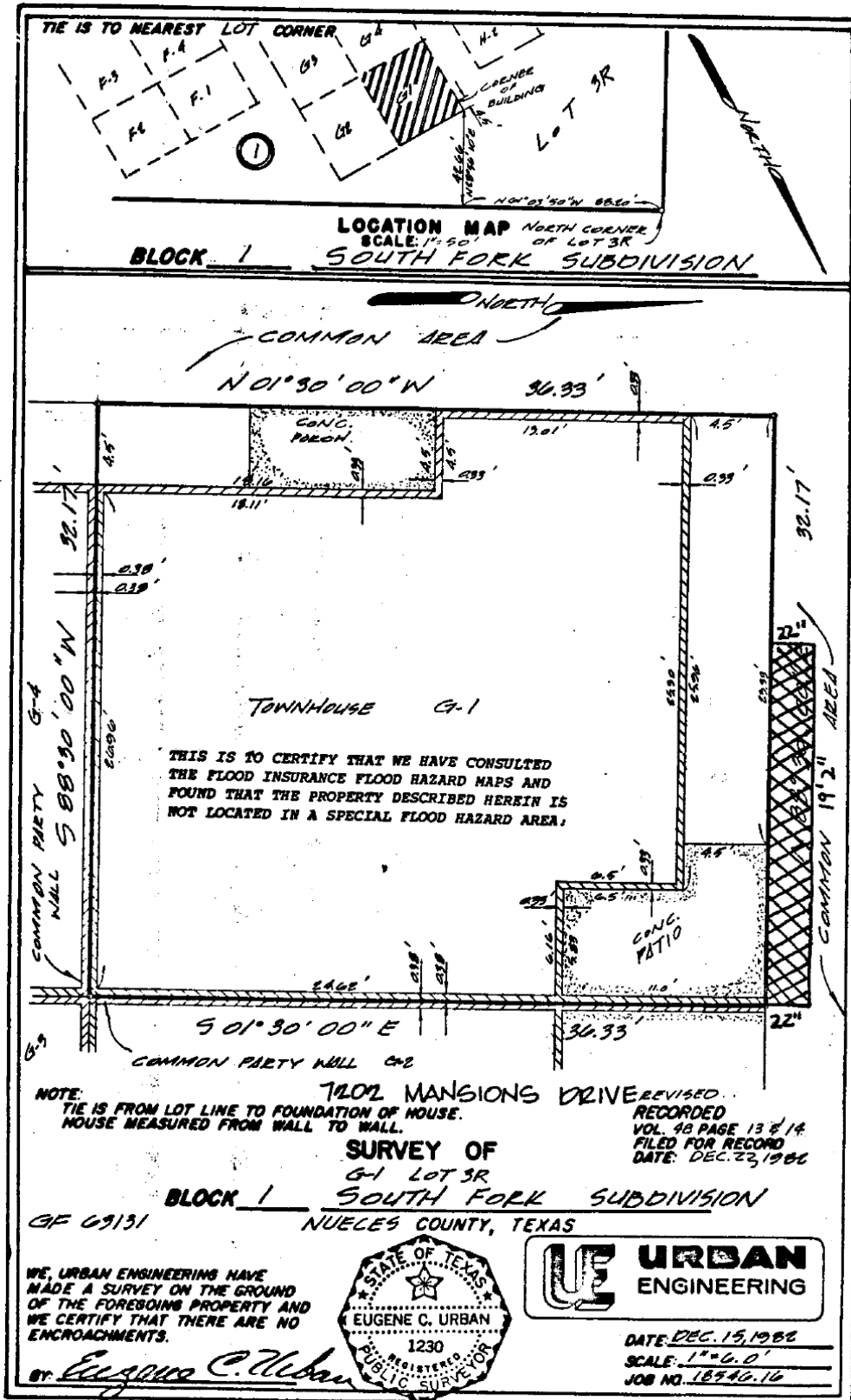
EXHIBIT A



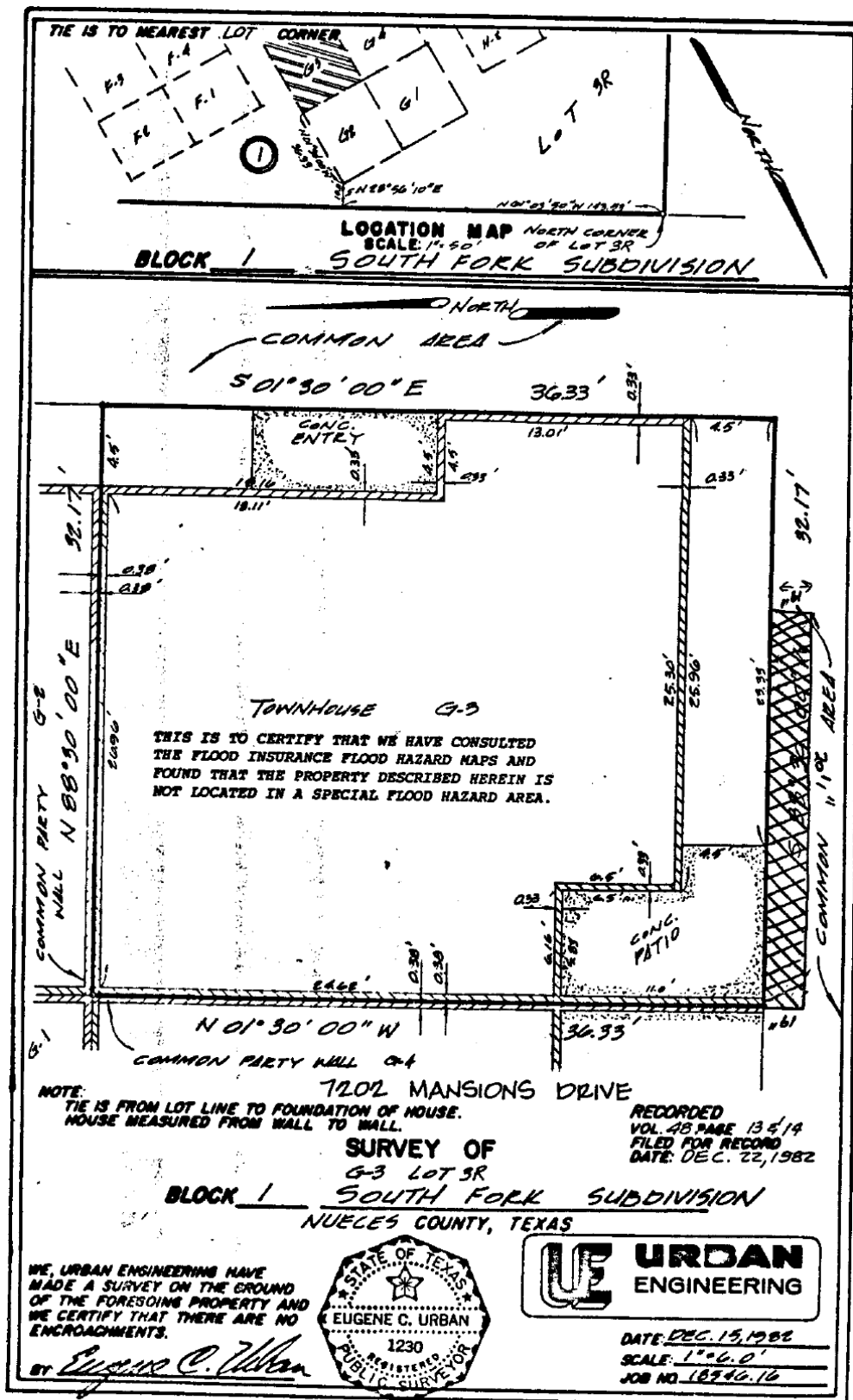




VOL 1888 PAGE 733







DEED RECORDS

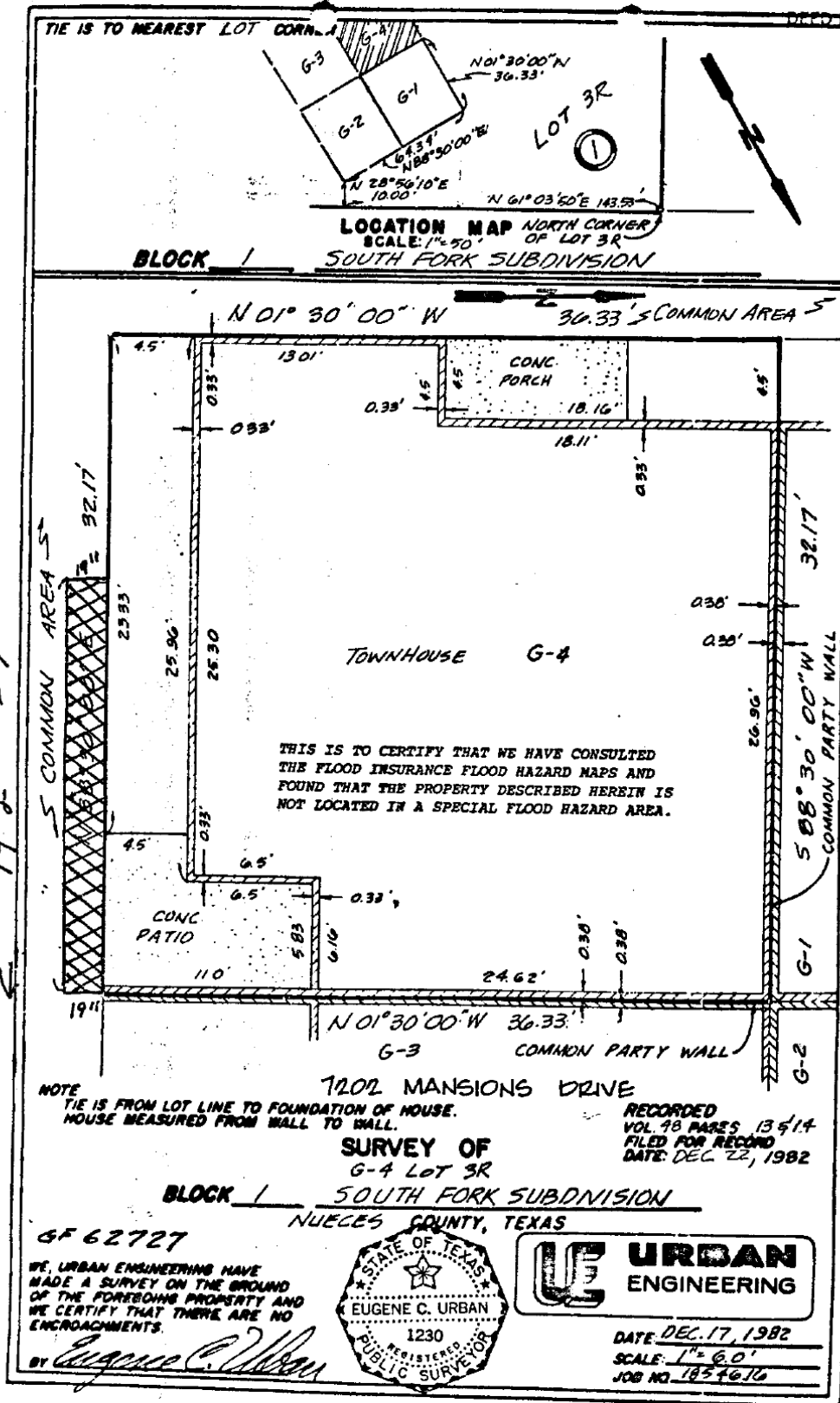


EXHIBIT A

340957

RESOLUTION OF THE BOARD OF DIRECTORS
OF
SOUTH FORK HOMEOWNERS ASSOCIATION, INC.

REGARDING UTILITY SHUT-OFFS FOR DELINQUENT ASSESSMENTS

ADOPTED July 31, 2008

I. RECITALS

A. The ownership and occupancy of South Fork Townhomes is subject to the covenants and restrictions contained in the Amended Declaration of Covenants, Conditions and Restrictions for South Fork Townhomes recorded under Clerk's File Number 340957, in the Real Property Records of Nueces County, Texas, as amended (the "Declaration").

B. By acquiring a unit in South Fork Townhomes, an owner becomes obligated to pay assessments and other charges to South Fork Homeowners Association, Inc. (the "Association"), and becomes subject to the Association's enforcement powers.

C. At South Fork Townhomes, each unit's share of common expenses pays for certain master-metered utilities and services consumed by the unit and its occupants, furnished through the Association, and funded as a common expense of the Association ("Unit Utilities"). Unit Utilities include water, sewer and trash. Regular or special assessments which, at least in part, are for the purpose of paying for Unit Utilities are hereafter called "Utility-Related Assessments". An owner who fails to pay Utility-Related Assessments unfairly forces the contributing owners to pay Unit Utilities consumed by his non-contributing unit.

D. As a provider of Unit Utilities, the Association is similar to public utility companies and apartment owners, which are expressly authorized by State law to discontinue utility service for nonpayment of utility bills. Discontinuing Unit Utilities to a unit for which Utility-Related Assessments are delinquent is an effective, reasonable, and appropriate use of the Association's discretionary powers to collect assessments.

E. Article XI, Section 5. of the Declaration authorizes the Board of Directors of the Association to adopt and amend rules regulating the administration and enforcement of the provisions of the Declaration, which includes the collection of regular and special assessments.

II. RESOLUTION

1. The Association may discontinue one or more Unit Utilities to a unit for nonpayment of Utility-Related Assessments charged to that unit and its owner by the Association.

2. The Board of Directors of the Association hereby adopts the following procedures to discontinue Unit Utilities to a unit:

a. First Notice. If the account of an owner has been delinquent at least 30 days, the board may give written notice to the unit owner and unit occupant that one or more Unit Utilities may be shut-off if the default is not cured within a stated number of days (at least 10). The notice must also state the amount and place of payment, and may specify the form of payment.

b. Second Notice. If full payment, in the form required by the board, is not received by the date stated in the first notice, the board may give a second written notice to the unit owner and unit occupant. The second notice will warn that one or more Unit Utilities may be shut-off after a stated number of days (at least 5). The board will post an additional copy of the second notice, contained in an envelope, on an entrance door of the unit at least 5 days prior to the scheduled shut-off. The notice will recite where and how payment may be made to avoid the disconnection or to restore service.

c. Notices. The Association will send the first and second notices by certified mail return receipt requested. Additional copies may be delivered by regular mail, personal delivery, or fax transmission. Both notices will prominently display "UTILITY SHUT-OFF," "TERMINATION NOTICE," or similar language. Mailed notices are deemed delivered when a properly addressed envelope with prepaid postage is deposited in a U.S. Post Office collection box or station. In calculating days, the day after the date on which a notice is post-marked or posted on the door, as the case may be, is deemed "Day 1." Although the Association will make reasonable efforts to give notice to all co-owners and co-occupants, notice to one co-occupant or one co-owner is notice to all occupants or owners, as the case may be. In addressing notices, the Association may rely on the most recent information shown on its books and records.

d. Fees. At the time of the second notice, a charge of \$100.00 will be assessed against the owner and his unit for administrative costs related to the shut-off. To avoid the shut-off after the second notice is given, the owner must immediately pay all Utility-Related Assessments owed to the Association, including the \$100.00 minimum administrative fee, in the form required below.

e. Form of Payment. Payment to forestall a Common Utility shut-off or to restore service after a shut-off must be payment in full of all Utility-Related Assessments owed, plus the minimum shut-off fee, if applicable; in the form of a cashier's check, payable to South Fork Homeowners Association, Inc.; and received by the Association's manager or a designated officer.

f. Hearing. An owner who disputes his debt to the Association may request a hearing in front of the board. In order to stop the Common Utility shut-off, however, an

owner must deposit with the Association, in the form of a cashier's check payable to South Fork Homeowners Association, Inc., the full amount of Utility-Related Assessments claimed by the Association. The Association will hold the funds in escrow pending the final outcome of the board hearing.

g. Conformity to Statute. The Association intends for this resolution to comply with the State laws and local ordinances relating to discontinuance of utilities to a dwelling unit in a townhome project.

3. This resolution becomes effective 5 days after a copy of this resolution has been mailed or personally delivered to an owner of each unit shown on the Association's records. This resolution will remain effective until 5 days after the Association mails or personally delivers a notice of amendment or revocation to an owner of each unit. Delivery of this resolution and its amendments may be in connection with the Association's newsletter or any other Association-wide communication.

By signing below, I certify that this Resolution was adopted on July 31, 2008, by the Association's board of directors, at a duly called meeting of the board at which at least a quorum was present.

SOUTH FORK HOMEOWNERS
ASSOCIATION, INC.

By: _____

Kathy Hebert

Its: Secretary

RESOLUTION OF THE BOARD OF DIRECTORS
OF
SOUTH FORK HOMEOWNERS ASSOCIATION, INC.

REGARDING SATELLITE DISHES, ANTENNAS, AND/OR RECEIVERS

ADOPTED June 27, 2012

I. RECITALS

A. The ownership and occupancy of South Fork Townhomes is subject to the covenants and restrictions contained in the Amended Declaration of Covenants, Conditions and Restrictions for South Fork Townhomes recorded under Clerk's File Number 340957, in the Real Property Records of Nueces County, Texas, as amended (the "**Declaration**").

B. Failure of an owner to abide by the Declaration is subject to the enforcement powers of South Fork Homeowners Association, Inc. (the "**Association**"), and becomes subject to the Association's enforcement powers.

C. Article IX, Section 11, Paragraph 9. of the Declaration provides "that no radio or television aerial, satellite receiver, discs or guy wires shall be maintained on any portion of any building site". The broad nature of this restriction is in violation of the Telecommunications Act of 1996 and the Final Rule published by the Federal Communications Commission (the "**Act**").

D. Article XI, Section 5. of the Declaration authorizes the Board of Directors of the Association (the "**Board**") to adopt and amend rules regulating the administration and enforcement of the provisions of the Declaration.

E. The Board has determined the need to adopt a rule regarding antennas, aerials, satellite dishes and related devices that comply with the Act and are in the best interest of the South Fork community.

II. RESOLUTION

RESOLVED, the Board adopts the following rule which shall apply to the Property:

No exterior antennas, aerials, satellite dishes, or other device for the reception of television, radio, satellite or other signals of any kind shall be placed, allowed, or maintained upon any portion of any roof located on the Properties unless it is impossible to receive signals from any other acceptable location. In that event the receiving device may be placed on the roof as approved by the Architectural Control Committee ("**ACC**"). The ACC may require that the device be installed in accordance with certain guidelines that are necessary to minimize roof damage and possible injury to person or property resulting from inadequate installation. No satellite dishes shall be permitted which are larger than one meter in diameter. No broadcast antenna mast may exceed the height of the center ridge of the roofline. No Multichannel

Multipoint Distribution Service ("MMDS") antenna mast may exceed the height of twelve feet (12') above the center ridge of the roofline. No exterior antennas, aerials, satellite dishes, or other apparatus which transmit television, radio, satellite or other signals of any kind shall be placed, allowed, or maintained upon any portion of the Property. The Association by promulgating this rule is not attempting to violate the Telecommunications Act of 1996 (the "Act"), as same may be amended from time to time. This rule shall be interpreted to be as restrictive as possible while not violating the Act. If any roof is used by an Owner to locate a device covered by this rule, the Owner 1) shall indemnify, defend and hold harmless the Association from any personal injury or property damage caused by the fact that the device is located thereon and 2) shall immediately reimburse the Association upon demand any costs incurred by the Association in repairing any damage to the roof caused by the device, including cost of repair upon removal of the device. All capitalized words shall have the same definition as provided for in the Declaration.

This resolution becomes effective 5 days after a copy of this resolution has been mailed or personally delivered to an owner of each unit shown on the Association's records. This resolution will remain effective until 5 days after the Association mails or personally delivers a notice of amendment or revocation to an owner of each unit. Delivery of this resolution and its amendments may be in connection with the Association's newsletter or any other Association-wide communication.

By signing below, I certify that this Resolution was adopted on June 27, 2012, by the Association's board of directors, at a duly called meeting of the board at which at least a quorum was present.

**SOUTH FORK HOMEOWNERS
ASSOCIATION, INC.**

By: 

Kathy Hebert

Its: Secretary

THE STATE OF TEXAS *
COUNTY OF NUECES *

This instrument was acknowledged before me on the ____ day of _____, 2012, by **Kathy Hebert**, Secretary of South Fork Homeowners Association, Inc., a Texas non-profit corporation, on behalf of the corporation.

Notary Public, State of Texas

REGULATING RULE OF THE BOARD OF DIRECTORS
OF
SOUTH FORK HOMEOWNERS ASSOCIATION, INC.

ADOPTED APRIL 30, 2014

I. RECITALS

A. The ownership and occupancy of South Fork Townhomes is subject to the covenants and restrictions contained in the Amended Declaration of Covenants, Conditions and Restrictions for South Fork Townhomes recorded under Clerk's File Number 340957, in the Real Property Records of Nueces County, Texas, as amended (the "Declaration").

B. By acquiring a Building Site in South Fork Townhomes, an Owner (and any tenant of the Owner) becomes obligated to abide by Article IX, Section 11, item 12 which reads:

"12. Animals: No horses, cattle, cows, hogs, swine, sheep, goats, poultry or livestock of any kind, other than pets of reasonable kind and number ordinarily kept in residential subdivisions, may be kept on any part of the subdivision. No pets may be kept or bred for commercial or business purposes nor shall they be allowed to run at large within the subdivision. Should ordinary household pets become a nuisance in the opinion of the Declarant, they must be removed from the premises and the addition."

C. Article XI, Section 5. of the Declaration authorizes the Board of Directors of the Association to adopt and amend rules regulating the administration and enforcement of the provisions of the Declaration, which includes the prohibition against animals deemed to be a "nuisance that must be removed from the premises and the addition." The following Regulating Rule is adopted for that purpose and is binding on all Owners and Occupants of South Fork Townhomes.

II. REGULATING RULE

1. Prohibited Animals. No Owner or any Occupant of a Home ("Occupant") may keep a dangerous animal deemed by the Board of Directors to be a potential threat to the safety and well-being of people or other animals. Any such animal is a "nuisance" as stated in the Declaration. The Board may use the following criteria to determine if an animal is a potential threat to the safety and well-being of people or other animals:

- i. Without being provoked, the animal acts in an aggressive or threatening manner towards a person or animal. For example, the animal bites, attacks or attempts to bite or attack a person or another animal.
- ii. The animal has a history of aggressive behavior which is supported by reliable evidence of prior acts. The prior acts need not occur at South Fork.

2. Number of Pets. An Owner or Occupant may not keep on any single Building Site a number of pets which exceeds the number allowed by any then current City Ordinance. Any animals in excess of the allowed number are deemed to be a "nuisance."

3. Indoors/Outdoors. A permitted pet must be housed inside the fenced in areas of the Owner's Building Site. No pet is allowed on Common Area unless carried or leashed. No pet may be leashed to any stationary object on the Common Area. Any pet found violating this Rule are deemed to be a "nuisance."

4. Damage. The Owner of the Building Site upon which the animal is kept is responsible for any property damage, injury, or disturbance the animal may cause or inflict. The Owner shall be deemed to have indemnified and agreed to hold harmless the Board, the Association, and other Owners and Occupants, from any loss, claim, or liability of any kind or character whatsoever resulting from any action of the animal or arising by reason of keeping or maintaining such animal.

5. Removal. If an Owner's or Occupant's pet violates this Rule, the Owner of the Building Site and the person having control of the animal shall be given a written notice by the Association of the violation and the need to remove the animal from South Fork within 10 days from the date of the notice. Each Owner and Occupant agrees to permanently remove his violating animal from South Fork within 10 days after the date of the removal notice from the Association. Any Owner or Occupant who disputes the finding of the Association may, within 10 days from the date of the notice, request a hearing with the Board. The Board shall schedule the hearing within 5 days from the date of the request. The hearing shall allow for comments by all parties deemed by the Board to have information relevant to their decision. Upon conclusion of the hearing, the Board shall render its final decision which shall be binding on all parties and not subject to judicial review or appeal.

6. This Rule becomes effective 5 days after a copy of this Rule has been mailed or personally delivered to the Owners of every Building Site shown on the Association's records. This Rule will remain effective until 5 days after the Association mails or personally delivers a notice of amendment or revocation to the Owner of every Building Site.

By signing below, I certify that this Rule was adopted on April 30, 2014, by the Association's Board of Directors, at a duly called meeting of the Board at which at least a quorum was present.

**SOUTH FORK HOMEOWNERS
ASSOCIATION, INC.**

By: 
Kathy Hebert, Corporate Secretary

CERTIFICATE OF CORPORATE RESOLUTION
SOUTH FORK FINE POLICY

Date: October 22, 2018

Corporation: South Fork Homeowners Association, Inc.

Secretary: Kathy Hebert

I, Kathy Hebert, as Corporate Secretary of South Fork Homeowners Association, Inc., certify the following facts:

1. The corporation is organized and operating under the laws of Texas, is qualified to do business here, and is in good standing.
2. No proceedings for forfeiture of the certificate of incorporation or for voluntary or involuntary dissolution of the corporation are pending.
3. Neither the articles of incorporation nor by-laws of the corporation limit the power of the Board of Directors to pass the resolution below.
4. The undersigned as Corporate Secretary is authorized to make and sign this resolution.
5. The Resolution of the Board of Directors of South Fork Homeowners Association, Inc. Fine Policy, attached hereto as Exhibit "A", is a true and correct copy of the Fine Policy passed by the Board of Directors on 9/26, 2018.
6. This Resolution remains in full force and effect as of this date.
7. This Certificate of Resolution with attached Exhibit "A" is being recorded to provide notice to the public of this policy as required by Section 202.006 of the Texas Property Code.

South Fork Homeowners Association, Inc.

By: Kathy Hebert
Kathy Hebert, Corporate Secretary

STATE OF TEXAS *
COUNTY OF NUECES *

This instrument was acknowledged before me on this 22 day of October, 2018, by **Kathy Hebert**, Corporate Secretary of **South Fork Homeowners Association, Inc.**, a Texas corporation, on behalf of said corporation.

Christina Martinez
Notary Public, State of Texas

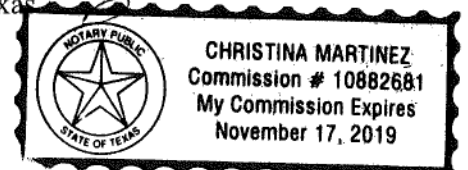


EXHIBIT "A"

SOUTH FORK TOWNHOMES

FINE POLICY

For Residents Within South Fork Townhomes

SOUTH FORK TOWNHOMES

FINE POLICY

1. Background. South Fork Townhomes is a community (the "Community") created by and subject to the Amended Declaration of Covenants, Conditions and Restrictions, recorded at Document No. 280650 in the Official Public Records of Nueces County, Texas, as it may be amended ("Declaration"). The operation of the Community is vested in South Fork Homeowners Association, Inc. (the "Association"), acting through its board of directors (the "Board"). The Association is empowered to enforce the covenants, conditions and restrictions of the Declaration, the Bylaws and rules of the Association (collectively, the "Documents"), including the obligation of Owners to pay assessments pursuant to the terms and provisions of the Declaration.

The Board hereby adopts this Fine Policy to establish equitable policies and procedures for the levy of fines within the Association in compliance with Chapter 209 of the Texas Property Code, titled the "Texas Residential Property Owners Protection Act," as it may be amended (the "Act"). To the extent any provision within this policy is in conflict the Act or any other applicable law, such provision shall be modified to comply with the applicable law.

Words and phrases used in this policy have the same meanings given to them by the Declaration.

Users of this policy should periodically review statutes and court rulings that may modify or nullify provisions of this policy or its enforcement, or may create rights or duties not anticipated by this policy.

2. Policy. **The Association uses fines to discourage violations of the Documents, and to encourage compliance when a violation occurs - not to punish violators or generate revenue for the Association.** Although a fine may be an effective and efficient remedy for certain types of violations or violators, it is only one of several methods available to the Association for enforcing the Documents. The Association's use of fines does not interfere with its exercise of other rights and remedies for the same violation. Nor may the Association use fines to the exclusion of other remedies.
3. Owner's Liability. An owner is liable for fines levied by the Association for violations of the Documents by the owner and the relatives, tenants, guests, employees, and agents of the owner and residents. Regardless of who performs the violation, the Association will direct its communications to the owner.
4. Violation Notice. Before levying a fine, the Association will give the owner a written violation notice and an opportunity to be heard. This requirement may not be waived. The Association's written violation notice will be by certified mail and contain the following items: (1) the date the violation notice is prepared or mailed; (2) a description of the

violation; (3) a reference to the rule or provision that is being violated; (4) a description of the action required to cure the violation if the violation is of a curable nature and does not pose a threat to public health or safety; (5) the amount of the fine; (6) a statement that not later than the thirtieth (30th) day after the date of the violation notice, the owner may request a hearing before the Board to contest the fine; and (7) the date the fine attaches or begins accruing, subject to the following:

- a. New Violation. If the owner was not given notice and a reasonable opportunity to cure a similar violation within the preceding six (6) months, the notice will state a specific date by which the violation must be cured to avoid the fine, if the violation is ongoing or continuous. If the violation is not ongoing, but is instead sporadic or periodic, the notice must state that any future violation of the same rule may result in the levy of a fine.
 - b. Repeat Violation. In the case of a repeat violation, the notice will state that, because the owner was given notice and a reasonable opportunity to cure a similar violation within the preceding six (6) months, the fine attaches from the date of the violation notice.
5. Violation Hearing. An owner may request in writing a hearing by the Board to contest the fine. To request a hearing before the Board, the owner must submit a written request to the Association's manager (or the Association's board of directors if there is no manager) within thirty (30) days after the date of the violation notice. Within five (5) days after owner's request for a hearing, the Association will give the owner at least five (5) days' notice of the date, time, and place of the hearing. The hearing will be scheduled to provide a reasonable opportunity for both the Board and the owner to attend. Pending the hearing, the Association may continue to exercise its other rights and remedies for the violation, as if the declared violation were valid. The owner's request for a hearing suspends only the levy of a fine. The hearing will be held in a closed or executive session of the Board. At the hearing, the Board will consider the facts and circumstances surrounding the violation. The owner may attend the hearing in person, or may be represented by another person or written communication. If an owner intends to make an audio recording of the hearing, such owner's request for hearing shall include a statement noticing owner's intent to make an audio recording of the hearing, otherwise no audio or video recording of the hearing may be made. The minutes of the hearing must contain a statement of the results of the hearing and the fine, if any, imposed. A copy of the violation notice and request for hearing should be placed in the minutes of the hearing. If the owner appears at the meeting, the notice requirements will be deemed satisfied.
6. Levy of Fine. Within thirty (30) days after levying the fine, the Board must give the owner notice of the levied fine. If the fine is levied at the hearing at which the owner is actually present, the notice requirement will be satisfied if the Board announces its decision to the owner at the hearing. Otherwise, the notice must be in writing. In addition to the initial levy notice, the Association will give the owner periodic written notices of an accruing fine or the application of an owner's payments to reduce the fine. The periodic notices may be in the form of monthly statements or delinquency notices.

7. Amount. The Association may set fine amounts on a case by case basis, provided the fine is reasonable in light of the nature, frequency, and effects of the violation. The Association may establish a schedule of fines for certain types of violations. If circumstances warrant a variance from the schedule, the Board will document the reasons for the variance in the minutes of its meeting. The amount and cumulative total of a fine must be reasonable in comparison to the violation, and should be uniform for similar violations of the same provision of the Documents. If the Association allows fines to accumulate, it will establish a maximum amount for a particular fine, at which point the total fine will be capped. Currently, the capped amount is \$1,000.00 for a particular fine. The cap only applies to fine amounts. Any expenses incurred by the HOA to correct the violation will continue to accumulate.

The Board has adopted the following general schedule of fines, provided, that the Board reserves the right to set fine amounts on a case by case basis, provided the fine is reasonable in light of the nature, frequency, and effects of the violation.

Fine Schedule:

	1 st Violation	2 nd Violation	3 rd Violation
Unauthorized/unapproved construction	Warning Letter	\$100.00	\$150.00
Unauthorized/unapproved changes to existing improvements	Warning Letter	\$100.00	\$150.00
Violation of trash rules and regulations	Warning Letter	\$100.00	\$150.00
Violation of safety rules and restrictions (<i>such as fireworks, dangerous pet, parking in alleys or in firelanes*, etc.</i>)	Warning Letter	\$100.00	\$150.00
Violation of usage rules and restrictions (<i>such as vehicle parking, signage, trash, pet related, noise, nuisance, etc.</i>)	Warning Letter	\$100.00	\$150.00
*Alley/firelane parking or parking in unauthorized areas is also subject to immediate towing if obstructs police/fire truck/ambulance traffic			

The increase in fines for subsequent violations shall only apply if the violation occurred within six (6) months of the previous similar violation. After the 3rd violation, the Board may, in its sole discretion, continue the fining of the Owner for subsequent violations or elect to seek any available legal or equitable remedy, such as injunction, and/or suit for damages.

This Fine Policy shall never be interpreted to limit the Board's right to seek legal or equitable remedies (e.g. injunction) if the violation threatens the health or safety of other individuals or poses an imminent threat of damage or destruction to any part of the Property (as defined in the Declaration).

8. Type of Levy. If the violation is ongoing or continuous, the fine may be levied on a periodic basis (such as monthly or quarterly), beginning on the date the fine attaches or begins accruing. If the violation is not ongoing, but is instead sporadic or periodic, the fine may be levied on a per occurrence basis.
9. Collection of Fines. The Association is not entitled to collect a fine from an owner to whom it has not given notice and an opportunity to be heard. The Association may not foreclose its assessment lien on a debt consisting solely of fines. The Association may not charge interest or late fees for unpaid fines.
10. Amendment of Policy. This policy may be revoked or amended from time to time by the Board. This policy will remain effective until ten (10) days after the Association delivers to an owner of each unit notice of amendment or revocation of this policy. The notice may be published and distributed in an Association newsletter or other community-wide publication.

Doc# 2018045909

Pages 7

10/23/2018 9:26AM

e-Filed & e-Recorded in the

Official Public Records of

NUECES COUNTY

KARA SANDS

COUNTY CLERK

Fees \$31.00

Any provision herein which restricts the Sale, Rental
or use of the described REAL PROPERTY because of
Race, Color, Religion, Sex, Handicap, Familial Status
or National Origin is invalid and unenforceable
under FEDERAL LAW, 3/12/89

STATE OF TEXAS

COUNTY OF NUECES

I HEREBY CERTIFY THAT THIS INSTRUMENT WAS
FILED IN FILE NUMBER SEQUENCE ON THE DATE AND
AT THE TIME STAMPED HEREON BY ME AND WAS DULY
RECORDED IN THE OFFICIAL PUBLIC
RECORDS OF NUECES COUNTY TEXAS



Kara Sands
COUNTY CLERK
NUECES COUNTY, TEXAS