

FILE NO

Declaration of Restrictive Covenants 518360
For
NorthShore, Unit 8B

This declaration is made this 13 day of May, 2003, by Portland NorthShore Golf, LP ("DECLARANT"), a Texas Limited Partnership, as the owner of the following property situated in San Patricio, County, Texas, to wit (the "SUBDIVISION"):

NorthShore Unit 8B: A Subdivision in the City of Portland, San Patricio County, Texas, as shown by map or plat thereof, recorded under Clerk's File No. #517852, Real Property Records of San Patricio County, Texas (the "PLAT").

DECLARANT has subdivided such property into **LOTS** (as hereinafter defined) and blocks, with intervening streets, avenues, drives, parks, parkways and easements for drainage and utility facilities, and has dedicated said streets, avenues, drives, parks, parkways and easements as set forth on the above mentioned **PLAT**.

I. SCOPE OF RESTRICTIONS

For the purpose of creating and carrying out a uniform plan for the improvement and sale of the **SUBDIVISION** and the **LOTS** and blocks contained therein, as a high quality, restricted residential subdivision, the following restrictions, conditions, and use limitations (the "**RESTRICTIONS**") are hereby established, adopted and imposed upon each **LOT** or parcel of land in the **SUBDIVISION**. The **RESTRICTIONS** shall constitute covenants running with the land and shall be binding upon and inure to the benefit of the **DECLARANT**, its successors and assigns, and upon all persons owning any property in the **SUBDIVISION**, whether by purchase, descent, devise, gift or otherwise. By acceptance of any interest in title to any **LOT**, each owner of such interest does hereby agree and covenant to abide by the **RESTRICTIONS**. Each instrument conveying any interest in a **LOT** shall be conclusively held to have been executed delivered and accepted subject to the **RESTRICTIONS**. The **DECLARANT** expressly delegates the administration of the provisions of the **RESTRICTIONS** to the **NORTHSHORE UNIT 8 PROPERTY OWNERS ASSOCIATION, INC.** (the "**ASSOCIATION**") as hereafter defined.

II. DEFINITIONS

- A. A "**STREET**" shall be deemed to include any road, street, avenue, drive, court, square, circle, terrace, plaza, parkway, or passageway shown as a thoroughfare on the recorded map of such subdivision.
- B. A "**LOT**" is a single-family residential building site in a subdivision. Each **LOT**, except a **CORNER LOT**, shall be deemed to "front" upon the street, which it abuts.
- C. A "**CORNER LOT**" is a **LOT** that abuts to more than one street. A **CORNER LOT** shall be deemed to front upon the street abutting its smaller dimension.

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- D. "ASSOCIATION" shall mean and refer to the NorthShore Unit 8 Property Owners Association a non-profit corporation which formed to administer NorthShore Unit 8A, and all future Unit 8 subdivisions, which shall govern the administration of the SUBDIVISION as Provided in X hereof.

III. ARCHITECTURAL CONTROL

- A. There is hereby created an Architectural Control Committee (the "COMMITTEE") to administer these covenants. The COMMITTEE shall consist of the same members designated as the Architectural Control Committee by the ASSOCIATION and shall consist of at least five (5) members. At least one member shall be the DECLARANT, or his duly appointed representative, or a voting member of the ASSOCIATION from Unit 8B.

The COMMITTEE shall be appointed annually by a majority vote of the Board of Directors of the ASSOCIATION. Any vacancies of the COMMITTEE shall be appointed by a majority vote of the Board of Directors of the ASSOCIATION at the annual or special meeting thereof. In the event of the death or resignation of any member of the COMMITTEE, the remaining members will have full power and authority to conduct the business of the COMMITTEE until a successor is appointed.

- B. Prior to the start of any construction on any LOT, complete set of the final plans and specifications for each construction project shall be delivered to the COMMITTEE, and shall be retained by the COMMITTEE. No building or any other structure or improvement shall be erected, placed, or altered on any LOT until such plans and specifications, and a site plan showing the location of the structure, have been approved, in writing, by the COMMITTEE, in its sole and absolute discretion. The COMMITTEE may, but is not obligated to, consider factors such as harmony of external design with existing structures, location with respect to topography and finish grade elevation. As a condition precedent to approval of the plans and specifications, the COMMITTEE may require additional information, such as a landscaping plan, the proposed start and completion dates, a fence plan, swimming pool plan, exterior color plan, and outbuilding or storage building plan, all of which the COMMITTEE may, in its sole discretion, approve or disapprove.

- C. In the event any construction begins prior to the receipt of approval by the owner of the LOT of the plans and specifications by the COMMITTEE, then, the record owner of the fee simple title to the LOT on the date a building permit is issued by the City of Portland shall be obligated to pay the ASSOCIATION a penalty sum in the amount of \$1,000.00. Such penalty sum shall be due and payable even if the plans and specifications are in conformity with these restrictions, and regardless of whether such plans and specifications are approved by the COMMITTEE after the date that construction begins. The penalty sum of \$1,000.00 does not represent liquidated damages to be paid for any violation of these RESTRICTIONS, and any violation of the RESTRICTIONS by the actual construction, and/or any objections of the COMMITTEE to either the plans and specifications of the final construction, must still be remedied in compliance with the requirements of the COMMITTEE.

- D. The **COMMITTEE** may set such charges and fees, as it deems necessary, in its sole discretion, for performance of its functions. All charges shall be due and payable to the **ASSOCIATION**, and unpaid charges shall be secured by a lien upon the **LOT** owned by the party who incurred these charges, as set forth in Article X, Paragraph I. The initial charges for **COMMITTEE** approval of plans and specifications for any construction activities will be \$200.00 along with a \$200 Refundable Trash Deposit as defined under Section IV, K hereafter. There will be a \$100.00 charge for any resubmission of the same plans and specifications for re-approval after receipt of comments from the **COMMITTEE**. In the event that the **COMMITTEE** fails to approve or disapprove such plans and specifications within thirty (30) days after they have been submitted, then approval is presumed.
- E. The **COMMITTEE** shall have such other duties as set forth herein.

IV. GENERAL I AND USE

- A. All **LOTS** in the **SUBDIVISION** shall be used for single-family dwellings for no other purpose.
- B. All improvements of any nature placed on any lot shall be newly constructed and/or erected on the **LOT** and no second-hand or used building, or other improvements, shall be moved onto any **LOT**.
- C. No commercial activity of any nature shall be conducted upon any **LOT**, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood.
- D. No outdoor toilet shall be placed on any **LOT** except during construction or improvements on a **LOT**.
- E. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any **LOT**, nor shall oil wells, tanks, tunnels, mineral excavations, or shafts be permitted upon or in any **LOT**.
No derrick or other structure designed for use in boring for oil shall be permitted maintained or erected on any **LOT**.
- F. No sign of any kind shall be displayed to the public view except those, which are in compliance with the City of Portland ordinances. No other signs shall be erected, permitted or maintained on any **LOT** without the express prior consent of the Architectural Control Committee. The right is reserved by the **DECLARANT** to erect other signs, billboards, posters or advertising device of any character, as **DECLARANT** may deem necessary, in **DECLARANT'S** sole discretion, for the conduct of **DECLARANT'S** business.
- G. No structure of a temporary nature, nor any trailer, basement, tent, shack, garage or other outbuildings, or any part thereof, shall be used as a residence or dwelling, either temporarily or permanently. Garages and outbuildings that are appurtenant to a residence may be erected on each building site upon which a main dwelling has been erected, as approved by the **COMMITTEE**.

- H. House trailers, boats, buses, trucks or similar vehicles, shall be parked only as and where approved by the COMMITTEE. No boat trailers, boats, travel trailers, inoperative automobiles, camper vehicles of any kind, or portable buildings are to be parked or stored in the public street right of way or on driveways or parking areas, or on any part of said LOT, for more than seven (7) days. One boat trailer, boat, travel trailer, or camper vehicle may be stored behind a completed home when it can be placed in a manner so that no portion is visible from any street, and such placement is not found to be unsightly or a nuisance in any way. Such placement shall be approved by the Architectural Control Committee on an individual basis.
- I. No repair work, dismantling or assembling of motor vehicles or any other machinery and equipment shall be done in any street, or front or side yards, of any LOT.
- J. No firearms or fireworks of any kind shall be discharged in the SUBDIVISION.
- K. No LOT shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste materials shall not be kept except in sanitary containers constructed of metal, plastic or masonry materials with sanitary covers or lids. Equipment for the storage or disposal of such waste materials shall be kept in a clean, sanitary condition. No LOT shall be used for the open storage of any materials whatsoever, which storage is visible from the street, except that new building materials used in the construction of improvements erected upon any LOT at the time construction is commenced and may be maintained thereon for a reasonable time, so long as the construction progresses without undue delay, until the completion of the improvements, after which these materials shall either be removed from the LOT or stored in a suitable enclosure on the LOT. A suitable container for new construction shall be one designed or built in a substantial manner so as to enclose and contain all construction debris. The container shall be emptied on a regular basis and under no circumstances to be allowed to overflow, be allowed to be stored, or otherwise be placed on other LOTS, common areas, or public property. Construction debris shall not be allowed to blow from the construction site. The property owner shall be responsible to insure that any debris is immediately removed from other property if it should be found there. At plan approval, the landowner must deposit with the ASSOCIATION \$200.00 for use solely at the discretion of the ASSOCIATION for the proper maintenance and policing of debris around the construction site. The unused portion of the deposit will be refunded. No plans and specifications will be approved unless and until this \$200.00 deposit is made.
- L. Construction Time. Landowners will be encouraged, but not required, to commence construction of a new home in 18 months after LOT closing. A Building Department Certificate of Occupancy for any new construction project is required within twelve (12) months after issuance of the City Building Permit. Any subsequent modification or alteration shall be completed within 12 months from commencement. Any failure to comply with this provision by not completing this structure within such time shall be construed as a violation hereof and shall entitle any party hereto, or any party in interest, to maintain an action by mandatory injunction or for damages, or for both.
- M. No garage or outbuilding apartments for rental purposes are permitted on any LOT.

- N. No radio or television receptive device or guy wires shall be maintained on any portion of any LOT forward of the front wall line of the main building constructed on such LOT. No satellite dish shall be placed or be of such size so as to be visible from ground level at the front of a home. No satellite dish shall be placed in the front of any home. Any antenna or radio receiver shall be placed in an inconspicuous location and shall not be over three feet by three feet in any outside measurement. Roof or mast mounted installations for cable TV antennas are permitted so long as they do not exceed the maximum size. The COMMITTEE or Board shall have the full and sole authority to disapprove any antenna, which does not meet these requirements or its intent.
- O. No mailbox shall be placed on any LOT, unless such mailbox is attached to the front of a single-family residence or unless approved in writing by the COMMITTEE. No such mailbox shall be constructed or placed on any LOT until the plans and specifications, and the plans showing the location of such mailbox, have been approved in writing by the COMMITTEE as to the quality of workmanship and materials and harmony of external design with existing structures. If the U.S. Postal Service supplies or services a central community mail box facility, then no individual mailboxes are to be permitted on the LOTS.
- P. No homeowner or builder installed equipment shall be visible from the street. Equipment shall mean any accessory device attached to the home, which is not specifically required for structural support, veneer, or facing integral to the home. Such devices will include but not be limited to: solar panels, water treatment equipment, air conditioning equipment and pool equipment. This does not include public utility equipment. However, all equipment, whether owner installed or public utility, shall be hidden by owner installed landscaping or approved privacy fence or wall. If such equipment is visible from the street, and installed at the time the home is built, an approved privacy fence or wall will be required. If such equipment is added to the home after completion, suitable landscaping or an architecturally compatible wall or fencing shall be installed to hide it from view. All actions taken pursuant to this subparagraph must be approved by the COMMITTEE.

V. SIZE, DESIGN AND PLACEMENTS OF IMPROVEMENTS

- A. FACING: The main building on each LOT shall be constructed to face the street upon which such LOT fronts, as described in Article II above.
- B. HEIGHT AND FLOOR AREA LIMITATIONS: No building shall be permitted on any LOT unless it complies with the following:
- (1) Maximum Height. The greater of two (2) stories or thirty-two (32) feet in height to the eave from the grade at the front/street facing side of the home.
 - (2) Floor Area Limitations.
 - (a) All the LOTS in said SUBDIVISION the enclosed living floor are of the main dwelling of any residence, exclusive of porches, garages (whether attached or detached), patios, breezeways or other appendages shall contain a minimum of 2,000 square feet as measured from exterior dimensions.

- (b) Two Story Floor Area Limitations. As to all LOTS in the SUBDIVISION, the enclosed living floor area of the main dwelling of any two-story residence, exclusive of porches, garages (whether attached or detached), patios, breezeways or other appendages shall contain a minimum of 1,200 square feet as measured from exterior dimensions.
- C. EXTERIOR WALLS: The exterior walls of each main dwelling shall be at least eighty percent (80%) masonry, which shall include but shall not be limited to, natural stone, brick, or stucco (as per the requirements of the Construction Specification Institute) or a veneer of any of them. In computing this masonry requirement, all door and window openings and gable shall be included in determining the area of the exterior walls. Masonry or concrete based lap siding or sheeting (Hardee products), exposed block masonry, or split face block shall not be considered as an acceptable masonry. In non-masonry areas the following items are acceptable: natural wood, 5/8" wood sheeting or plywood, lap siding, masonry or concrete based lap siding or sheeting, simulated wood type vinyl or aluminum siding, fascia, or soffit material. In non-masonry areas the following items are unacceptable: composite shingles or paper based building materials.
- D. ROOF: The pitch of the roof of each main building and all other buildings, either attached or detached, is subject to approval of the COMMITTEE, and in no event will flat roofs be permitted without COMMITTEE approval. Thirty year, three hundred (300) pound composition roofs are the minimum standard and in no event will roof pitches of less than six (6) and twelve (12) be permitted nor will flat roofs be permitted without COMMITTEE approval. Thirty year, three hundred (300) pound dimensional composition roofs are the minimum standard. The following roofs will also be acceptable: wood shake, simulated wood shake aluminum roofing, slate, simulated slate, masonry based simulated shake or tile, cement or terra cotta tile, or standing seam copper that meets the requirements of the Construction Specification Institute. The following roofs are unacceptable: less than thirty year, three hundred (300) pound dimensional composition shingles, ribbed lap metal roof sheeting, or standing seam metal. The Architectural Control Committee may expand the list of approved roofing materials as new architecturally compatible products become available. Metal roofing may be employed in specific limited areas when approved by the COMMITTEE and only when used for dormer, bay window, or other similar minor roof areas. No metal roof porches or other similar applications will be permitted.
- E. FOUNDATIONS: On all main buildings and all outbuildings, either attached or detached, all foundations must be of concrete and must be fully enclosed at the perimeter and designed and certified by a Registered Texas Professional Engineer.
- F. FENCES OR WALLS: No fence or wall shall be erected, placed, altered, or maintained on any building site nearer to the front LOT line than the minimum building setback line shown on the recorded plat of the SUBDIVISION, or in any event, forward of the front wall line of the main building. No fence shall be constructed higher than six feet, six inches (6'6"); and shall be subject to the approval of the COMMITTEE. All fencing shall only be constructed of shrubbery, wood, masonry, iron, or aluminum, which shall include, but not be limited to, natural stone, brick, or aluminum, or a veneer of any of them. No chain link fences shall be permitted. Privacy walls or fences shall be installed on new homes for the purpose of screening a view of the equipment installed when the home is built. These privacy walls or fences shall be only high enough to completely screen the equipment, must be permanent, and of the same material as the wall or gable of the home. Fences and walls constructed along the rear and rear 1/3 of the sides of the golf course or water course frontage LOTS shall be no higher than four (4) feet above the ground, see through and non-opaque, vertical picket type fences. Retaining walls, if required, will be of substantial and permanent nature of treated wood, masonry, or poured concrete. Metal sheet piling retaining walls are unacceptable if visible above grade. Retaining walls may not be visible more than two (2) feet above the grade at the highest point of elevation at the rear of the LOT.

- G. BUILDING LINES: No building shall be constructed on any LOT or LOTS in the SUBDIVISION nearer the front LOT line than the setback line shown on the PLAT of the SUBDIVISION, nor farther away from the front LOT line than the COMMITTEE determines to be in harmony with the existing buildings in the immediate vicinity. No portion of any main building shall be constructed nearer than six (6) feet to any interior LOT line. The side building lines for all CORNER LOTS shall be as indicated on the PLAT of said SUBDIVISION. No building shall be constructed on any LOT nearer to the side LOT line than the distance herein specified or referred to, except that, in the case of any unusual or irregularly shaped LOT, buildings and other improvements may be constructed thereon as approved by the COMMITTEE. No building, structure or any kind, accessory, play equipment, material, or refuse, whether permanent or otherwise, shall be placed within twenty (20) feet of the rear property line of any golf course or water course LOT, except that clean fill, approved fence, wall or retaining wall may be placed nearer providing that the golf course or water course is not altered or blocked by such installation. Notwithstanding the above, the location of any improvement is subject to all appropriate governmental regulations.
- H. GARAGES: All garages shall be located such that no main garage doors face a street. The term "main garage doors" shall mean automobile entry doors, golf cart storage doors, or other large doors for equipment access. Main garage doors which face the side property line are acceptable, as long as the do not face a street.
- I. UPKEEP: The owner of each LOT shall be responsible for the proper maintenance and upkeep of such LOTS at all times. The owner shall keep any weeds on such LOT neatly mowed and shall not permit the accumulation of trash, rubbish or other unsightly articles on said LOT or the abutting easements or streets. The area between the pavement and the LOT line shall also be kept and maintained by the owner of the abutting LOT. If any LOT owner does not comply with the terms of this subparagraph, then the ASSOCIATION is authorized to have such LOT cleaned and maintained for the account of the owner of the LOT, and the charges so incurred shall constitute a lien upon the LOT in favor of the ASSOCIATION.
- J. SIGHT DISTANCES AT INTERSECTIONS: No fence, wall, hedge or shrub which obstructs sight line at elevation shall be placed or permitted to remain on any CORNER LOT area within the triangular area formed by the street, property lines and a line connecting them at points twenty-five (25) feet from the intersection of a street line or in the case of a rounded corner, from the intersection of the street property line extended to intersect. The same sight line limitations shall apply on any building site within ten (10) feet from the intersection of a street property line with the edge of a driveway pavement. No trees shall be permitted to remain within the above sight line of such intersection unless the foliage line is maintained at sufficient height to prevent the obstruction of the above sight line.
- K. EXTERIOR HOME LIGHTING: Exterior home lighting shall not be installed so as to shine directly into a contiguous LOT, or home window.

- L. SOD AND LANDSCAPING: Upon completion of the dwelling, each homeowner will install and properly maintain sod in the front yard from the curb back to the front face of the home for the full width of the home site, and a minimum of two (2) trees not less than two (2) inches in diameter shall be installed.

Upon completion of the dwelling, each homeowner shall also be required to install and properly maintain in the frontal area of the home facing the street: two (2) square feet of bedded shrubbery per linear foot of the width of the home (i.e. if you house is 40 feet wide, you will need to install 80 square feet of bedded shrubbery). Upon completion of the dwelling, the entire rear and side yards are to be sodded, seeded or sprigged. Landscaping and grass at occupied homes as well as those unoccupied (including those constructed by builders and offered for sale) shall be regularly and properly cut, watered, fertilized, and maintained. Any landscaping installed along the rear or rear 1/3 of the side property line of golf course or water course frontage **LOTS** must be trimmed at no higher than four (4) feet above grade.

- M. EXTERIOR COLOR PLAN: The Architectural Control Committee shall have final approval of the exterior color plan and upon initial construction or change, each homeowner shall submit a color plan with an exact sample of the color of the roof, exterior walls, shutters, trim, etc.
- N. ROOF MOUNTED EQUIPMENT: All exposed roof vents, roof equipment, plumbing stacks, and other accessory items visible from the street shall be painted to match the roof.
- O. SCREEN ENCLOSURES: Screen enclosures are permitted as an accessory to porches, pools, or similar applications. They may not be visible from the front of the home or street and may not extend beyond the side of the home. Flat roof enclosures will not be permitted.
- P. UTILITY CONNECTIONS: All connections for all utilities including, but not limited to water, sewer, electricity, gas, telephone, and cable television shall be run underground from proper connecting points to the improvement in such a manner acceptable to the governing authority. The only exception shall be when a particular utility is not physically available underground such as cable television service supplies by antenna.
- Q. SWIMMING POOLS AND TENNIS COURTS: Any swimming pool or tennis court to be constructed on any **LOT** shall be subject to approval of the **COMMITTEE**, in its sole discretion. The following standards shall apply to this paragraph, but shall not be inclusive of all considerations to be made by the **COMMITTEE**.
- (1) There shall be no lights on a tennis court(s) of the type that would be normally used for tennis play after dark installed in a manner such that they shine directly on a neighboring home or provide a nuisance to such neighbor. At no time will tennis court lights be illuminated after 10:30 P.M.
 - (2) No above ground pools shall be permitted. The outside edge of any in ground pool wall may not be closer than four (4) feet to a line extended and aligned with the side walls for improvements unless approved by the **COMMITTEE**.
 - (3) Location and construction material of tennis court(s) to be approved by the **COMMITTEE**.

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DRIVEWAY CONSTRUCTION: All dwellings shall have paved driveway of stable and permanent construction of a least sixteen (16) feet in width at the entrance to the garage. Unless prior approval is obtained from the COMMITTEE, all driveways must be constructed of concrete. When curbs are required to be broken for driveway entrances, the curb shall be repaired in a neat and orderly fashion and in such a way to be acceptable to the COMMITTEE.

VI. DURATION OF RESTRICTIONS

The restrictions, conditions, use limitations and covenants herein set forth shall continue and be binding upon all owners of any interest in a LOT for a period of thirty-five (35) years from the date hereof, unless terminated or amended as hereinafter provided. At the expiration of said term of thirty-five (35) years above set out, such restrictions, conditions, use limitations and covenants shall automatically be extended for additional, successive periods of ten (10) years each, unless same are nullified or revised as hereinafter provided.

VII. RIGHTS TO ENFORCE

The RESTRICTIONS shall be binding upon the DECLARANT, its successors and assigns, and all parties claiming by, through, or under them and all subsequent owners of any interest in a LOT, each of whom shall be obligated and bound to observe the terms of this instrument; provided, however, that no such persons shall be liable except with respect to breaches or violations committed during his or their ownership of a LOT OR LOTS. The violations of any term or provision of this instrument shall not operate to invalidate any mortgage, deed of trust, or other lien acquired and held in good faith against any LOT or any part thereof, but such liens may be enforced as against any and all LOTS covered thereby, subject, nevertheless, to the terms of this instrument. If any person violates or attempts to violate any term or provision of this instrument, it shall be lawful for any person owning any LOT to prosecute or institute proceedings at law or in equity against the person violating or attempting to violate any term or provision of this instrument, in order to accomplish one or more of the following: to prevent him or them from so doing; to correct such violation; to recover damages; or, to obtain such other relief for such violation as then may be legally available.

VIII. SEVERABILITY

Invalidation of any of the terms, provisions or covenants contained in this instrument by judgment or court order shall not in any way affect any of the other terms, provisions, or covenants set forth in this instrument, which shall remain in full force and effect.

IX. EASEMENTS

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All LOTS are subject to certain easements over and across portions of each LOT, as shown by the PLAT of said SUBDIVISION, such easements being deemed appropriate or necessary for the purpose of installing, using, repairing and maintaining public utilities, including water line, sewer lines, electric lighting and telephone poles or cables, pipelines and drainage ditches or drainage structures, television cable and/or equipment necessary for the performance of any public or quasi-public utility service and function, with the right of access thereto for the purpose of further construction, maintenance and repairs. Such right of access shall include the right, without liability, on the part of any or all of the owners or operators of such utilities, to remove any obstructions in, on or under any easement which may interfere in any way with the installation or operation of circuits, lines, pipes, or drainage ditches or drainage structures. Such easements shall be for the general benefit of the SUBDIVISION and the property owners thereof and are reserved and created in favor of any and all utility companies entering into and upon the SUBDIVISION.

All drainage easements, both within the boundaries of the SUBDIVISION, and without the boundaries of the SUBDIVISION but appurtenant to LOTS in the SUBDIVISION, must be kept clear of any and all improvements and structures so that such drainage easements can perform their intended functions. Any owner of any LOT, which violates this restriction, shall be liable to all owners of any LOTS, which are adversely affected by such violation.

X. THE ASSOCIATION

- A. MEMBERSHIP: Every person or entity who is the owner of record of fee simple title to a LOT is a member of the ASSOCIATION. The foregoing is not intended to include persons or entities that hold an interest merely as security for the performance of any obligation or those having only an interest in mineral estate. Each owner of fee simple title to a LOT is granted one vote in the ASSOCIATION for each LOT owned. No owner shall have more than one vote unless such owner owns more than one LOT. Membership shall be appurtenant to and may not be separated from ownership of the LOT. Ownership of a LOT shall be the sole qualification of membership.
- B. NON-PROFIT CORPORATION: The ASSOCIATION shall be organized as a non-profit corporation, and all duties, obligations, benefits, liens and rights hereunder in favor of the ASSOCIATION shall vest in said corporation.
- C. BY-LAWS: The ASSOCIATION may adopt whatever rules or by-laws it may choose to govern the organization provided that the same are not in conflict with the provisions hereof.
- D. INSPECTIONS OF RECORDS: The members of the ASSOCIATION shall have the right to inspect the books and records of the ASSOCIATION at reasonable times during normal business hours.
- E. ANNEXATION OF PROPERTY: Additional residential property and common areas outside of the SUBDIVISION may be annexed to the SUBDIVISION, and subject to the jurisdiction and benefits of the ASSOCIATION upon majority vote by the members of the ASSOCIATION at a regular or special meeting of the members.

- F. **MAINTENANCE CHARGE:** Each LOT is hereby subject to an annual maintenance charge and assessment (the "ANNUAL CHARGE") for the purpose of creating a fund to be designated and known as the Maintenance Fund. It is expressly agreed and understood that LOTS owned by the **DECLARANT, OR HIS HEIRS, ASSIGNS OR SUCCESSORS** are exempt from the **ANNUAL CHARGE**. The obligation to pay the **ANNUAL CHARGE** will accrue from the date of recording of the deed to a LOT executed by the **DECLARANT**. The **DECLARANT'S** transferee shall owe the **ANNUAL CHARGE** for the remainder of any calendar year accruing after the date on which the deed to the transferee is recorded, and such prorated **ANNUAL CHARGE** shall be due on the next occurring December 31. The **ANNUAL CHARGE** will be paid by the owner or owners of each LOT to the **ASSOCIATION** on or before January 1 of each year, in advance, on dates to be established by the Board of Directors of the **ASSOCIATION**. The rate at which each LOT will be assessed will be determined annually and may be adjusted from year to year by the Board of Directors of the **ASSOCIATION**, in its sole and absolute discretion. Notwithstanding anything herein to the contrary, neither the **DECLARANT**, nor its successors or assigns of its rights under this instrument, shall be liable for the payment of the **ANNUAL CHARGE** against LOTS owned by the **DECLARANT**. However, when such LOT or LOTS are sold by the **DECLARANT**, the purchaser thereof shall be liable to pay such **ANNUAL CHARGE**, prorated from the date of such purchase to the end of the calendar year. The **ASSOCIATION** may expend the Maintenance Fund, and any and all other amounts paid to the **ASSOCIATION**, for such expenses, fees and charges as the Board of Directors of the **ASSOCIATION** deems reasonable and necessary, in its sole and absolute judgment, including, but not limited to, legal, accounting, engineering and other professional fees and expenses. The acceptance of any interest in a LOT or LOTS constitutes the agreement of such interest owner to be bound by all terms and conditions of these **RESTRICTIONS**, including, but not limited to, the payment of the **ANNUAL CHARGE**. The **ANNUAL CHARGE** is initially established to be \$ 150.00 per LOT per year.
- G. **VOTING RIGHTS OF DECLARANT:** Notwithstanding anything contained herein to the contrary, the **DECLARANT** shall retain all voting rights in the **ASSOCIATION** for each and every lot owned by the **DECLARANT**. Voting rights transfer to buyers for lots which have been sold to builders or individuals. For the purpose of this paragraph, a transfer by **DECLARANT** of all LOTS then owned by **DECLARANT** to another developer, who accepts, by written instrument recorded in the Office of the County Clerk of San Patricio County, Texas, the rights and duties of **DECLARANT** as set forth herein, shall not be considered a sale to "builders or individuals".
- H. **THE LIEN:** Each owner of any interest in a LOT hereby creates for the benefit of the **ASSOCIATION**, a lien ("LIEN") thereon to secure the payment of any and all amounts due and payable by any owner of a LOT to either the **ASSOCIATION** or the **COMMITTEE**. The **LIEN** may be foreclosed judicially or non-judicially. Each owner of any interest in a LOT hereby grants to the **ASSOCIATION** a power of sale in order for the **ASSOCIATION** to foreclose upon the **LIEN** by non-judicial means in accordance with applicable statutes of the State of Texas, including, but not limited to, Tex. Prop. Code 51.002, as amended (and any successor statutes thereto). Accordingly, each owner of an interest in any LOT expressly irrevocably grants and conveys to the President of the **ASSOCIATION** (or any successor thereof or substitute therefore as selected by the Board of Directors of the **ASSOCIATION**) the LOT, in trust, with power of sale to be exercised in the event such LOT interest owner is in default on any of such owner's monetary obligations to either the **ASSOCIATION**, or the **COMMITTEE**.

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At any foreclosure, the ASSOCIATION may bid for the interest in the LOT so foreclosed, and apply any amount so bid first against the indebtedness owed to either the ASSOCIATION or the COMMITTEE by any owner of any interest in the foreclosed LOT. From and after the date of any foreclosure, the owner of any interest in the foreclosed LOT shall immediately surrendered possession to the party purchasing such interests at the foreclosure sale.

- I. **SUBORDINATION OF LIEN:** The LIEN shall be subject, subordinate, inferior and secondary to all liens, mortgages and encumbrances, whether now or hereafter existing, that are created to secure the payment of (i) the purchase price of all or any part of any LOT and (ii) the purchase price or cost of construction of any improvements thereon. The sale or transfer of any LOT shall not affect the LIEN provided for herein. However, the sale or transfer of any LOT pursuant to the foreclosure of any lien superior to the LIEN herein reserved and created, shall extinguish the LIEN as to any payments that have become due and payable prior to such foreclosure. The purchaser at foreclosure shall have liability for any assessments due and payable after the date of foreclosure, and the LOT so foreclosed shall be subject to a lien in favor of the ASSOCIATION for payment of all post-foreclosure charged, dues, and /or assessments owed to either the ASSOCIATION or the COMMITTEE.

XI. AMENDMENT

These RESTRICTIONS may be amended at any time by a majority vote of the ASSOCIATION.

XII. INDEMNIFICATION

- A. Indemnification of Officers, Members of the Board or Agents.

The ASSOCIATION shall indemnify any person who was or is a party or is threatened to be made a party, to any threatened, pending, or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a member of the Board of Directors of the ASSOCIATION, employee, officer or agent of the ASSOCIATION, or any person who is or was a member of the COMMITTEE, against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, or proceeding if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interest of the ASSOCIATION; and, with respect to any criminal action or proceeding, if he had no reasonable cause to believe his conduct was unlawful; or matter as to which such person shall have been adjudged to be liable for gross negligence or willful misfeasance or malfeasance in the performance of his duty to the ASSOCIATION unless and only to the extent that the court in which such action or suit was brought shall determine, upon application, that despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper. The termination of any action, suit or proceeding by judgment, order, settlement conviction, or upon a plea of nolo contendere or its equivalent, shall not, in and of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in, or not opposed to, the best interest of the ASSOCIATION; and with respect to any criminal action or proceeding, that he had no reasonable cause to believe that his conduct was unlawful.

- (1) To the extent that a member of the Board of Directors of the ASSOCIATION, officer, employee or agent of the ASSOCIATION or a member of the COMMITTEE is entitled to indemnification by the ASSOCIATION in accordance with this Article XII, he shall be indemnified against expenses (including attorney's fees and appellate attorney's fees) actually and reasonably incurred by him in connection therewith.
- (2) Expenses incurred in defending a civil or criminal action, suit or proceeding shall be paid by the ASSOCIATION in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the member of the Board of Directors of the ASSOCIATION, officer, employee or agent of the ASSOCIATION or a member of the COMMITTEE to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the ASSOCIATION as authorized in this Article.
- (3) The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under the laws of the State of Texas, any by-law, agreement, vote of members or otherwise. As to action taken in an official capacity while holding office, the indemnification provided by this Article shall continue as to a person who has ceased to be a member of the Board of Directors of the ASSOCIATION, officer, employee or agent of the ASSOCIATION or a member of the COMMITTEE and shall inure to the benefit of the heirs, executors and administrators of such person.
- (4) The ASSOCIATION shall have the power to purchase and maintain insurance on behalf of any person who is or was a member of the Board of Directors of the ASSOCIATION, officer, employee or agent of the ASSOCIATION or a member of the COMMITTEE, against any liability asserted against him and incurred by him in any such capacity, as arising out of his status as such, whether or not the ASSOCIATION would have the power to indemnify him against such liability under the provisions of this Article.

DATED the 13 day of May, 2003

DECLARANT

PORTLAND NORTHSORE GOLF, LP

By: [Signature]

Name: Joshua Muss

Title: Managing Agent for
Portland Northshore Golf, LP.

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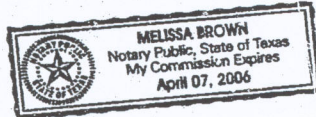
STATE OF TEXAS

FILE NO 518360

COUNTY OF SAN PATRICIO

This instrument was acknowledged before me on the 13 day of May, 2003, by
Joshua Muss, Managing Agent of Portland NorthShore
Golf, LP, a Texas Partnership, on behalf of such partnership.

Melissa Brown
Notary Public, STATE OF TEXAS

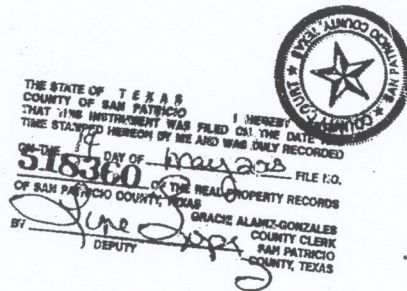


COMPARED

North Shore Title

FILE NO

518360



FILED FOR RECORD

at 8:45 o'clock A M

MAY 14 2003

GRACIE ALANIZ-GONZALES
CLERK COUNTY COURT SAN PATRICIO CO., TX
By Lina Lopez Deputy

Lina Lopez

Lina Lopez

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Filed for Record 14th Day of May 2003 at 8:45 A. M.
Compared 13th Day of May 2003 at 11:22 A. M.
Real Property File Number 518360

By Janis Acosta, Deputy

518360

GRACIE ALANIZ-GONZALES, County Clerk
San Patricio County, Texas

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