

Declaration of Covenants, Conditions, and Restrictions
For
NorthShore Unit OVD 1

This declaration is made this **13th** day of **January, 2006**, by Ocean View Development, Ltd. (“**DECLARANT**”), a Texas Limited Partnership, as the owner of the following property situated in San Patricio, County, Texas, to wit (the “**SUBDIVISION**”):

NorthShore Unit OVD1: A Subdivision in the City of Portland, San Patricio County, Texas, as shown by map or plat thereof, recorded under Clerk’s File No.550640 Envelope 1257-1258, Tube 19-3 filed November 10, 2005, Real Property Records of San Patricio County, Texas (the “**PLAT**”).

DECLARANT 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**.

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.
- 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 identified by a 25’ building line set back on the recorded **PLAT** of said Subdivision.
- D. “**ASSOCIATION**” shall mean and refer to the Homeowners Association established by Ocean View Development, Ltd. to administer these restrictions and shall govern the administration of the **SUBDIVISION** as Provided in X hereof.

- E. A **“GOLF COURSE LOT”** is any **LOT** in which any property line is a common property line with the golf course. Specifically, lots 36 through 43, and lots 45 through 47, block 4; lot 54, block 4; and lots 1 through 6, block 7; are golf course lots.
- F. A **“WATER COURSE LOT”** is any **LOT** in which any property line is a common property line with the lake lots, defined as lot 11, block 6; lot 22, block 8; and lot 53, block 4.

III. ARCHITECTURAL CONTROL

There is hereby created an Architectural Control Committee (the **“COMMITTEE”**) to administer the construction of homes according to these covenants. The **COMMITTEE** shall consist of the **DECLARANT** and two appointees by the **DECLARANT**. The **DECLARANT** shall maintain control and administer the ACC until 90% (ninety percent) of all lots in said subdivision have been sold.

- A. Upon 90% (ninety percent) of the Lots being sold by the **DECLARANT**, the **COMMITTEE** shall be assigned to the **ASSOCIATION** and must consist of **MEMBERS** of the **ASSOCIATION**. Thenceforth, 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**, a 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, all of which the **COMMITTEE** may, in its sole discretion, approve or disapprove.
- C. The **COMMITTEE** will approve or deny the plans and specifications in accordance with the terms of these covenants, and may, in its sole and absolute discretion, waive, modify, alter, change or approve any covenant, term, condition, or restriction, where, in the opinion of the Committee, such change is necessary or required for the benefit and best appearance of the Subdivision, especially when these covenants and restrictions conflict with building a single family residence, or in the case of irregularly shaped and unusually sized lots. The formal variance will be approved for future construction with similar circumstances. Final construction must still be remedied in compliance with the requirements of the **COMMITTEE and the Approved Plans**.
- 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, with 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 LAND USE

- A. All **LOTS** in the **SUBDIVISION** shall be used for single-family dwellings and for no other purpose.
- B. All improvements of any nature placed on any lot shall be newly erected on the **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 portable restrooms, or outdoor toilet, shall be placed on any **LOT** except during construction 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 one professional sign of not more than nine square feet advertising the property for sale, or signs used by a builder or realtor to advertise the property for sale during the construction and initial sales period. The right is reserved by the Declarant to construct and maintain such signs, billboards, or advertising devices in connection with the general sale of property in the Subdivision. In no event shall any sign, billboard, poster or advertising device of any character, other than as specifically prescribed above, be erected, permitted, or maintained on any lot without the express prior consent of the Architectural Control Committee.
- G. No structure of a temporary nature, nor any trailer, 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. Detached garages, outbuildings, or storage buildings must be of similar construction, exterior finish and color, and finished product as the main dwelling. Any detached outbuilding must be approved by the **COMMITTEE** prior to construction of the improvements.
- H. Boat trailers, boats, buses, trucks, pop up travel or camper trailers, or similar vehicles, shall be parked only as and where approved by the **COMMITTEE**. Boat trailers, boats, buses, trucks, pop up travel or camper trailers, or similar vehicles may NOT be parked or stored in the public street right of way nor on driveways or parking areas, or on any part of said **LOT**, for more than three (3) days, except as and where approved by the **COMMITTEE**. One boat trailer, boat, pop up travel trailer, or pop up camper vehicle may be stored behind or beside a completed home, behind a 6'6" wooden picket fence 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 prior to the placement of the vehicle.
- 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 be kept 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 will it be allowed to be stored, or otherwise be placed on other

LOTS, common areas, or public property. The property owner shall be responsible to insure that any debris is immediately removed from other property if it should be found there.

- 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 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. No satellite dish shall be over three feet by three feet in any outside measurement and shall be placed at the side or rear of the 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. 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. **LAKES AND PONDS.** The Lakes in the Subdivision are created for decorative purposes only. No swimming, canoeing, kayaking, tubing, or other recreational activities are permitted in the Lakes. Further, no motorized boats or watercraft are permitted in the Lakes. The Lakes are designed to be supplied with well water on a continuous basis in order to provide circulation of water flow between the Lakes and limit algae blooms.

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, except that the **COMMITTEE** may authorize the construction of improvements on **CORNER LOTS** facing diagonally across such **LOT**.
- 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) As to **LOTS 11 through 17, block 5; lots 2 through 10, block 6; lots 4 through 9, and lots 28 through 40, and lots 46 through 49, block 8;** in said **SUBDIVISION** the enclosed living floor area 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) As to **LOTS 36 through 52, and lot 54, block 4; lots 1 through 6, block 7; lots 10 through 27 and lots 41 through 45, block 8;** in said **SUBDIVISION** the enclosed living floor area 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 2,500 square feet as measured from exterior dimensions.

(c) 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 total square footage, as measured from exterior dimensions, apportioned between the 1st and 2nd floor by a Licensed Professional Architect or Engineer, as defined in items (a) and (b) above.

C. EXTERIOR WALLS: The exterior walls of any improvement or structure placed or erected on any Lot or tract shall follow the City of Portland Building Code. No dwelling shall be constructed or permitted to exist on any Lot unless at least eighty percent (80%) of the total exterior, as measured from the outermost dimensions, consist of brick, stone, or stucco or a veneer of any of them. Masonry based lap siding or sheeting, exposed block masonry, Hardie lap siding or sheeting, or split face block shall not be considered as an acceptable masonry in calculating the 80% requirement. In non-masonry areas the following items are acceptable: Hardie lap siding or sheeting, natural wood, 5/8" wood sheeting or plywood, lap siding, simulated wood type vinyl or aluminum siding, fascia, or soffit material. In non-masonry areas composite shingles or paper based building materials are unacceptable.

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 warranty 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. 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 (30 year) 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 similar minor roof areas. No metal roof porches 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. All outbuildings or storage buildings must be on a foundation and approved by the Architectural Control Committee.

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**. **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. Equipment includes A/C units, pool pumps and filters, or any other accessory equipment installed that is visible from the street upon which the home faces. 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 twenty (20) feet 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 or rod iron fences. Retaining walls, if required, will be of substantial and permanent nature of treated, 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**. **As to LOTS 41 through 45, block 8; lots 10 through 27, block 8; any and all fencing along the rear lot line and rear 20 feet of the side lot line will be no higher than (4) four feet above ground, black in color, and rod iron or aluminum fencing.** All fencing is subject to the approval of the **COMMITTEE** in its sole and absolute discretion.

- 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, or structure of any kind, whether permanent or otherwise, shall be placed within twenty (20) feet of the rear property line of any **LOT**. Notwithstanding the above, the location of any improvement is subject to all appropriate governmental regulations.
- H. **GARAGES:** For all **LOTS** in said **SUBDIVISION** all garages shall be located such that no main garage doors are parallel to the street, unless the garage is located on the rear ½ of the lot or at least 60' from the front property line, in which case a front-loading garage is acceptable. Front wrap, rear wrap, and side loading garages that face the side property line are acceptable. For corner **LOTS**, the main garage door may not face the side property line that is parallel to the street side of the lot. The term "main garage door" shall mean automobile entry doors, golf cart storage doors, or other large doors for equipment access. For golf course and watercourse lots, no garage shall be placed within twenty (20) feet of the rear property line.
- 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**.

- 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 in the front yard. 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 property line, and within the rear ten feet (10') of the lot from the rear property line, of golf course or water course frontage **LOTS** must be trimmed at no higher than four (4) feet above grade. Palm trees may be installed along the rear property line and within the rear ten feet (10') of the lot from the rear property line, with written approval from the **COMMITTEE**.
- 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. STORAGE BUILDINGS & 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 must be approved by the Committee, on an individual basis, prior to construction of such enclosures. Storage buildings must be constructed upon a concrete foundation and the exterior finish, color, and roofing must be consistent with the main dwelling.
- O. 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.
- P. 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**.

- P. **DRIVEWAY CONSTRUCTION:** All dwellings shall have paved driveway of stable and permanent construction of at least sixteen (16) feet in width at the entrance to the garage, and a minimum of at least ten (10) feet in width from the street to the garage apron. 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**.
- Q. **MAILBOXES:** In the event a Central Mail Service building is constructed and installed by the Declarant, all mail will be delivered to that Central Mail Service location. Boxes will be assigned by the United States Postal Service.

If a Central Mail Service building is not installed, the United States Postal Service will be utilizing curbside delivery service to all LOTS in the subdivision, on a dual box lot line system. The USPS will determine placement of the mailboxes and all mailboxes must be constructed according to the locations established by the USPS. All Mailboxes will be of similar quality, construction, and finish as the main dwelling to create harmony and visual appeal throughout the subdivision, and must be approved by 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. The Board of Directors of the ASSOCIATION will administer violations of any of these **RESTRICTIONS**. A **RESTRICTIONS VIOLATION NOTICE** will be sent to the **LOT** owner of record explaining the violation and the corrective action required. The **LOT** owners' failure to remedy the situation in a timely manner as described in the **NOTICE** will result in a penalty of \$250 assessed against the **LOT**, with additional penalties of \$25 per month until the Violation is corrected, as determined by the Board of Directors.

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. The **DECLARANT** and any **DECLARANT RELATED PARTIES** shall be expressly released of all liability and indemnified, by the **ASSOCIATION**, Board of Directors of the **ASSOCIATION**, **MEMBERS** of the **ASSOCIATION**, of any claims, demands, causes of actions, losses, damages, costs or liabilities resulting from any invalidation by judgment or court order of any of the terms, provisions, or covenants contained in this instrument.

IX. EASEMENTS

All **LOTS** are subject to certain easements, 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. Each member of the **ASSOCIATION** hereby grants an irrevocable proxy to the **DECLARANT** for the **DECLARANT** to vote such member's vote in the conduct of all business of the **ASSOCIATION** for the period of time specified in subsection G of this Article X. 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 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. ASSESSMENTS AND ANNUAL CHARGES: 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** or the **ANNUAL LAKE 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.

Each **WATER COURSE LOT** is hereby subject to an annual lake maintenance charge (the “**ANNUAL LAKE CHARGE**”) for the purpose of creating a fund to be designated and known as the Lake 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 LAKE CHARGE**. The obligation to pay the **ANNUAL LAKE 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 LAKE 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 LAKE CHARGE** shall be due upon closing the lot. The **ANNUAL LAKE 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 LAKE 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 LAKE CHARGE**, prorated

from the date of such purchase to the end of the calendar year. The **ASSOCIATION** may expend the Lake Maintenance Fund 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 relative to the direct costs of maintaining or improving the lakes within this **SUBDIVISION**. The Lake Maintenance Fund may not be expended for any other purpose than direct lake maintenance costs without the majority approval of **WATER COURSE LOT** owners. The acceptance of any interest in a **LOT** or **LOTS** constitutes the agreement of such interest of owner to be bound by all terms and conditions of these **RESTRICTIONS**, including, but not limited to, the payment of the **ANNUAL LAKE CHARGE**. The **ANNUAL LAKE CHARGE** is initially established to be \$ 250.00 per **LOT** per year.

The Lakes established in Lot 11, Block 6, Lot 22, Block 8 and Lot 53, Block 4 are designed to be maintained at the water level established by the professional engineering company that designed the **SUBDIVISION** improvements. Water wells have been developed to provide the primary water source, and City water service has been obtained to provide a secondary water source. The water wells are designed to operate on a 24-hour basis, seven days per week, in order to supply ample water for the Lakes and the fountains. The Lakes may not be emptied or be allowed to become empty through evaporation without the majority vote of the full Board of Directors confirmed by the majority vote of the **WATER COURSE LOT** Owners.

The **DECLARANT**, acting on behalf of the **ASSOCIATION** during the development phase of the **SUBDIVISION**, is authorized to enter into an agreement with the owner of the NorthShore Country Club for the provision of irrigation water to the Country Club from the Lakes in order to maintain the landscaping at the Country Club. Such agreement shall contain provisions providing for the payment of certain utilities charges by the Country Club and authorize the owner of the Country Club to take action to repair the water wells or utilize City water for the purpose of maintaining water levels in the Lakes in the event that the **ASSOCIATION** fails to do so. Any such expenses incurred shall be charged to the **ASSOCIATION**.

- 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**. 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**. 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

General Amendments. These Covenants and Restrictions may be amended or changed upon the written consent of a majority of the Members of the **ASSOCIATION**. Upon the vote of 75% of the Board of Directors, the Board of Directors may amend these Covenants and Restrictions in any manner that is determined by the Board of Directors to be consistent with the overall purpose of these Covenants and Restrictions and to benefit the best appearance and operation of the **SUBDIVISION**.

Declarant Amendments. Notwithstanding anything to the contrary herein contained, the Declarant reserves the right to amend this Declaration without the consent of any Owners, or any other persons claiming an interest in the Property or the Association if such amendment is necessary to (i) bring this Declaration into compliance with any-rule, regulation or requirement of the Federal Housing Administration, The Federal National Mortgage Association, The Federal Home Loan Mortgage Corporation, or San Patricio County, Texas; (ii) make corrective changes; (iii) reflect the relocation of boundary lines between the Common Area and any Lots or among any Lots, provided however that an approved resubdivision of the affected property is properly recorded; (iv) waive, modify, alter, change or approve any covenant, term, condition, or restriction, where such change is necessary or required for the benefit and best appearance of the Subdivision, especially when these covenants and restrictions conflict with building a single family residence, or in the case of irregularly shaped and unusually sized lots.

Any and all amendments, if any, shall be recorded in the office of the County Clerk of San Patricio County, Texas.

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.

B. Indemnification of Declarant.

The ASSOCIATION, Board of Directors of the ASSOCIATION, and members of the ASSOCIATION shall hold harmless, indemnify and defend the DECLARANT and any DECLARANT RELATED PARTIES from and against any and all claims, demands, causes of action, losses, damages, liabilities, costs and expenses suffered or incurred arising out of or relating to the LOT ownership, use, operation, or maintenance thereof, or any occurring after the transfer of title from the DECLARANT to the OWNER. No partner, member, shareholder or agent of the DECLARANT, nor any DECLARANT RELATED PARTIES, shall have any personal liability, directly or indirectly, under or in connection with this Instrument or any agreements made or entered into under or pursuant to the provisions of this Instrument, or any amendment or amendments to any of the foregoing made at any time or times, heretofore or hereafter. The DECLARANT shall be held harmless and indemnified of any and all claims of misrepresentation, negligence, or misconduct relating to all LOTS within the NorthShore Unit OVD1 subdivision upon acceptance of the final plat by the City or Portland, Texas, defined by the filing of the recorded plat with the San Patricio County Courthouse, providing evidence that all terms and conditions of the City or Portland Unified Development Ordinance have been satisfied and that the DECLARANT has fulfilled his obligations in providing a residential subdivision within the City of Portland.

DATED the _____ day of _____, 2006.

OCEAN VIEW DEVELOPMENT, LTD.
By: Golf Port Investments, Inc.
It's General Partner

By: _____
Name: _____
Title: _____

STATE OF TEXAS

COUNTY OF SAN PATRICIO

This instrument was acknowledged before me on this ____ day of _____, 2005, by _____, the _____ of Golf Port Investments, Inc., a Texas corporation, acting as general partner of Ocean View Development, Ltd., a Texas limited partnership, on behalf of said partnership.

Notary Public, State of Texas