

***Harbour Town
Deed Restrictions
& By-Laws***

DEED RESTRICTIONS

Table of Contents For The
Amended and Restated Declaration of the
Covenants, Conditions and Restrictions
For the Harbour Town Club

This Table of Contents is not a legal representation of the "Declaration" for Harbour Town. The legal document is on file in the Montgomery County Court House. This Table of Contents is solely to assist new or prospective owners of Harbour Town property, to see an informal outline of the Declaration to help in finding information in the Declaration. The page number is the page on which the Article or Section begins. The Board of Directors of the Association of Harbour Town urges all property owners to obtain an official copy of the "Declaration" and become familiar with it. Copies are available in the Harbour Town Office for all members of the Association (all property owners) and those interested in becoming members.

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AMENDED AND RESTATED

DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR THE
HARBOUR TOWN CLUB

KNOW ALL MEN BY THESE PRESENTS that Harbour Town Development Company, a Texas corporation, having had a place of business in Montgomery County, Texas, was the owner of that certain real property in Montgomery County, Texas described in an instrument styled Declaration of Covenants, Conditions and Restrictions for the Harbour Town Club (the "1975 Declaration"), recorded in Volume 884, Page 18, of the Deed Records of Montgomery County, Texas, said 1975 Declaration being applicable to that certain 37.3127 acre tract of land out of the Elijah Collard Survey, Abstract No. 7, Montgomery County, Texas, as more particularly described on Exhibit "A" attached to the 1975 Declaration. The above identified 37.3127 acres is also the subject of a plat or map styled "HARBOUR TOWN CLUB, SECTION ONE," which plat was duly recorded in Volume 12, Page 16, Map Records of Montgomery County, Texas. The above identified 37.3127 acre tract was subsequently replatted by a replat styled "Replat of HARBOUR TOWN CLUB, SECTION ONE," dated June 1975, which replat is duly filed of record in the Office of the County Clerk of Montgomery County, Texas, under File No. 7511596, Cabinet A, Sheet 193, of the Map Records of Montgomery County, Texas;

By instrument styled "First Amendment to the Declaration of Covenants, Conditions and Restrictions for the Harbour Town Club" dated June 11, 1975, filed of record in Volume 895, Page 394 of the Deed Records of Montgomery County, Texas (the "First Amendment"), Article I of the 1975 Declaration was amended and restated as set forth in such First Amendment;

By instrument styled "Second Amendment to the Declaration of Covenants, Conditions and Restrictions for the Harbour Town Club" dated October 11, 1975, filed of record in Volume 910, Page 343, of the Deed Records of Montgomery County, Texas (the "Second Amendment"), Section 5 of Article V of the 1975 Declaration was amended;

By instrument styled "Third Amendment to the Declaration of Covenants, Conditions, and Restrictions for the Harbour Town Club" dated on or about July 1979 filed for record at various Clerk's File numbers in Volumes 1145-1150 in multiple originals in the Deed Records of Montgomery County, Texas (the "Third Amendment"), the 1975 Declaration, as amended by the First Amendment and the Second Amendment was further amended as more fully set out therein;

By instrument styled "Fourth Amendment to the Declaration of Covenants, Conditions, and Restrictions for the Harbour Town Club" dated on or about March 1980 filed for record in multiple originals at various Clerk's File numbers in the Deed Records

of Montgomery County, Texas (the "Fourth Amendment"), including without limitation Clerk's File No. 8009049, the 1975 Declaration, as amended by the First Amendment, the Second Amendment and the Third Amendment, was further amended as more fully set out therein;

By Deed dated August 29, 1988, filed for record in the Deed Records of Montgomery County, Texas under Clerk's File No. 8844556, LAKON ENTERPRISES, INC., a Delaware corporation, became the owner of certain Lots (as defined in the amended 1975 Declaration) and succeeded to the rights of HARBOUR TOWN DEVELOPMENT COMPANY, a Texas business corporation, as Developer; and

By instrument styled "Fifth Amendment to the Declaration of Covenants, Conditions, and Restrictions for the Harbour Town Club" dated of even date herewith, the same being filed for record of even date herewith in multiple originals at various Clerk's File numbers in the Deed Records of Montgomery County, Texas (the "Fifth Amendment"), the 1975 Declaration, as amended by the First Amendment, the Second Amendment, the Third Amendment and the Fourth Amendment (the 1975 Declaration as so amended, and hereafter amended from time to time being hereafter referred to as the "Declaration"), was further amended and restated in its entirety as more fully set out in the Fifth Amendment;

NOW THEREFORE, LAKON ENTERPRISES, INC., a Delaware corporation, HARBOUR TOWN CLUB, a Texas non-profit corporation, and the Owners (as hereafter defined) hereby make and declare this Amended and Restated Declaration of Covenants, Conditions and Restrictions for the Harbour Town Club, so that on and after the date of execution hereof the Property covered by the Plat (each as hereafter defined) shall be now and hereafter held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the values and desirability of and which shall run with such real property and be binding upon and inure to the benefit of all parties now or hereafter having any right, title or interest in such real property or any part thereof, their respective heirs, successors and assigns, forever:

Article I. Definitions

Section 1. Property and Plat. "Property" shall mean and refer to the 37.3127 acres of real property described on Exhibit "A" attached to the Declaration of Covenants, Conditions and Restrictions for the Harbour Town Club which is duly recorded at Volume 884, Page 18 of the Deed Records of Montgomery County, Texas, and by reference made a part hereof, subject to the conditions and restrictions contained herein and/or set forth on the Replat thereof, which Replat is entitled "Replat of HARBOUR TOWN CLUB, SECTION ONE", dated June, 1975, and designates 216 lots, 27 blocks, common areas and two reserves with respect to the subdivision of a 37.3127 acre tract of land out of the Elijah Collard Survey, Abstract No. 7, Montgomery County, Texas, under File No. 7511596, Cabinet A, Sheet 193 of the Map Records of Montgomery County, Texas, reference to which Replat and the record thereof is here made for all purposes (the "Section

One Replat"). "Property" shall also mean and refer to the real property identified on the plat of Harbour Town Club, Section Two, which plat has been recorded at Cabinet B, Sheet 14, Map Records of Montgomery County, Texas (the "Section Two Plat"). "Property" shall also mean and refer to the real property identified as Reserve "D" (including the eight improved lots contained therein) in the Plat of Harbour Town, Section Three, which plat is filed under File No. 7629481, Cabinet B, Sheet 34, of the Map Records of Montgomery County, Texas (the "Section Three Plat"). All of the Property shall be subject to all regulations of the "Commissioners" of Montgomery County, Texas, with respect to private streets and driveways. "Property" shall also mean and refer to all real property and interests in real property, whether in fee simple, by lease or otherwise, now or hereafter owned, leased or held from time to time by or for the benefit of the Association, including without limitation that certain property described in lease agreement dated February 8, 1991 between San Jacinto River Authority, as lessor, and Harbour Town Club, as lessee, upon or about which a marina (the "Marina") and associated facilities are located.

"Plat" shall collectively mean and refer to the Section One Replat, the Section Two Plat and the Section Three Plat.

Section 2. Association. "Association" shall mean and refer to a Texas non-profit corporation named "Harbour Town Club" and its successors, whose members are the Owner or Owners of one or more Lots or interests therein, and which upon the filing of the 1975 Declaration in the Deed Records of Montgomery County, Texas, became the owner of all the Property and improvements thereon from time to time existing, except and excluding all the Lots and the reserves for townhouses, high-rise condominiums or hotels (together with all improvements from time to time on the Lots and said reserves), all as designated on the Plat.

Section 3. Owner. "Owner" shall mean any natural person, partnership, corporation, trust or other form of entity who is the record title owner or contract buyer (in lieu of the record title owner), whether one or more persons or entities, of fee simple title to any Lot, now or hereafter located on the Property, and Owners holding title subject to mortgages, but excluding those having an interest merely as security for the performance of an obligation. Notwithstanding the foregoing, the Association shall not be an Owner.

Section 4. Harbour Town Yacht Club. The HARBOUR TOWN YACHT CLUB shall refer to a Texas non-profit corporation named the "Harbour Town Yacht Club" and its successors.

Section 5. Common Area. "Common Area" shall mean all the Property and improvements thereon from time to time existing, except and excluding (a) all the Lots, and (b) the reserves for townhouses, high-rise condominiums or hotels (together with all improvements from time to time on the Lots and said reserves), all as described on the Plat. The Common Area shall also include all improvements made, attached or located thereon from time to time. All Common Area shall be subject to (i) the easements designated on the Plat and those otherwise duly recorded against the Common Area in the real property

records of Montgomery County, Texas, from time to time, and (ii) the By-Laws of the Association as may be promulgated from time to time.

Section 6. Lot. "Lot" shall mean and refer to each and every lot designated on the Plat, including without limitation: (a) the Replat of Harbour Town Club Section One, recorded at Cabinet A, Sheet 193, Montgomery County Map Records, Montgomery County, Texas; (b) the Plat of Harbour Town Section Two, recorded at Cabinet B, Sheet 14 of the Map Records of Montgomery County, Texas; and (c) the eight (8) lots in Harbour Town Section Three identified in Section 1 of Article I of the Declaration, and any other lot or lots which may hereafter be designated on a map or plat filed in the Office of the County Clerk of Montgomery County, Texas, subdividing that portion of the Property referred to on the Plat as "Reserve for townhouses, high-rise condominiums or hotels." The term "Lot" shall also include all improvements on a Lot from time to time. All Lots shall be subject to the easements designated on the Plat and those otherwise duly recorded in the real property records of Montgomery County, Texas, from time to time.

Notwithstanding anything to the contrary in the Declaration, the Owner or Owners of a dwelling unit on a tract which includes more than one (1) Lot (but not more than two (2) Lots) shall be entitled to only one (1) vote for said tract for purposes of any voting right under the Declaration and shall be subject to Assessment as only one (1) lot for such tract even though the tract includes more than one (1) Lot (but not more than two (2) Lots). Without limiting the foregoing, each of the tracts identified in Exhibit X attached to and made a part of the Third Amendment include more than one (1) Lot but have only one (1) dwelling unit on said tract and are entitled to only one (1) vote and are subject to assessment as only one (1) Lot.

Section 7. Developer. "Developer" shall mean and refer to Lakon Enterprises, Inc., a Delaware corporation, its successors and assigns (all rights of the Developer hereunder being expressly assignable).

Section 8. Assessment. "Assessment" shall mean and refer to any and all assessments authorized under this Declaration, including without limitation assessments for Common Expenses (as defined in Article V, Section 1 hereof).

Section 9. Lot Owner. "Lot Owner" shall mean the Owner of any Lot; provided however, all persons having an interest in the fee title to any Lot, whether one or more persons or entities, shall collectively be considered a single Lot Owner with respect to such Lot; and provided further that Developer shall not be considered a Lot Owner for purposes of any assessment provided for in Article V, Section 1 hereof.

Article II. Property Rights

Section 1. Owner's Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Areas referred to as Reserve A on the Plat,

to the Marina and to the Common Area to which each such Owner's Lot is appurtenant, and such right and easement shall pass with the title to each such Lot, subject to the following provisions:

- (a) The right of the Association to charge reasonable admission and other fees for the use of any recreational facilities situated upon the Common Area, including without limitation the Marina;
- (b) The right of the Association to suspend a Lot Owner's voting rights and the right to use the recreational or other facilities owned or operated by the Association, excluding utilities, for any period during which any Assessment against such Lot Owner is delinquent, due and payable and remains unpaid, and for a period not to exceed ninety (90) days for any infraction of the Association's published rules and regulations;
- (c) The rights of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members of the Association. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of each class of members of the Association agreeing to such dedication or transfer has been duly recorded in the real property records of Montgomery County, Texas;
- (d) The restrictions, easements, conditions and covenants contained in this Declaration, whether set out verbatim or by reference, the By-Laws hereinafter mentioned, and the rules, regulations and resolutions adopted by the Association pursuant to the authority of the By-Laws;
- (e) A perpetual, unrestricted easement of ingress and egress hereby reserved in favor of the Developer, its agents, guests, designees, successors and assigns;
- (f) The right of each Owner to the exclusive use, for motor vehicular parking only, of the parking area, if any, abutting each Lot owned by such Owner;
- (g) The right of the Association to limit the number of guests of Owners;
- (h) The right of the Association, in accordance with its Articles of Incorporation or By-Laws, to borrow money for the purpose of improving the Common Area and facilities and in aid thereof to mortgage said Common Area. The rights of any mortgagee in said Common Area shall be subordinate to the rights of the Owners hereunder.

Section 2. Parking. In the event a dwelling unit is located on a Lot that is not designated for or does not have within the perimeter of such unit space for on-site parking of vehicles (a "Non-Vehicle Lot"), and parking for such Lot is provided in the Common

Area, then ownership of each such Non-Vehicle Lot shall entitle the Owner or Owners thereof to the use of not more than two (2) vehicle parking spaces as near and convenient to said Non-Vehicle Lot as reasonably possible, together with the right of ingress and egress in and upon said parking area for purposes of parking such vehicles. The Association shall permanently assign two (2) vehicle parking spaces for each such Non-Vehicle Lot. For purposes of this Article II, Section 2, the term "vehicle" and "vehicles" shall mean only enclosed ground transportation passenger vehicles having a seating capacity of not more than ten (10) persons, including automobiles, pickup trucks and vans. The use of all other parking areas situated in the Common Area shall be subject to the exclusive control and management of the Association, including the assignment of areas where boats, trailers, motorcycles, and other non-vehicle devices may or may not be parked or stored.

Section 3. Delegation of Use. The right of enjoyment to the Common Area and Association facilities granted to the Owners in Article II of this Declaration shall extend to the members of each such Owner's family, guests, tenants, and contract purchasers who reside on such Lot.

Section 4. Private Streets. The Plat shows private streets which run over a portion of the Property. The Owners and occupants of the Lots shall have the non-exclusive right and privilege, in common with the Developer, to use and enjoy said private streets for the purpose for which such areas are intended; and it is further agreed and stipulated that the Association shall be charged with and pay the cost and expenses for the administration, maintenance, repairs, operation, protection and upkeep of said private streets.

Section 5. Installation of Parking Areas/Streets. Developer shall improve the Property to the extent of installing the private streets and parking areas as shown on the Plat; provided, however, that such private streets and parking areas, other than Clipper Circle, shall be constructed or installed only as, when and to the extent improvements are being erected or constructed on the Lot or Lots abutting such private streets and parking areas. In conjunction with the rights of Developer set forth in Article II, Section 6 and Article X, Section 2, Developer shall also have the right, subject to the approval of the Committee (as defined in Article VI, Section 1), from time to time, to redesignate the size and location of parking areas and private streets provided on the Plat with respect to unimproved Lots; provided, however, that such redesignation shall provide not less than two (2) parking spaces per Lot, whether in adjacent common parking areas or on such Lot. Where parking spaces are provided on a Lot, such Lot shall be served only by private street, and no common parking area shall be required to be provided for any such Lot.

Section 6. Right to Alter Lot and Block Size. The Developer shall have the exclusive right in its sole discretion, from time to time, to decrease the number of Lots owned by it by redesignation of such Lots pursuant to Article X, Section 2 hereof. Developer shall also have the exclusive right in its sole discretion, from time to time, to change or alter the size and dimension of any Lots owned by it; provided, however, that the total area and perimeter of each group of such Lots, as shown on the Plat shall not be increased or decreased by more than 10% from the perimeter of each such group of Lots

as shown in the Plat. Developer shall be entitled to move and redesignate lot lines from time to time in accordance with the foregoing without any other consent or authorization of the Owners, and without the necessity of making or filing any replat of the Plat in the map or plat records of Montgomery County, Texas.

Section 7. Piers; Docks. Notwithstanding anything contained in this Declaration to the contrary, appurtenant to each Qualifying Lot (as defined below) shall be the right to construct and maintain a Qualifying Structure (as defined below) adjacent to and abutting the Common Area abutting the Shoreline (as defined below) for the docking and/or storage of one (1) power boat or sailboat of size not larger than that approved for docking at the Marina. For purposes of this Article II, Section 7 the following definitions shall apply: (a) "Qualifying Lot" shall mean all Lots designated by the Committee (as defined in Article VI hereof) in accordance with the guidelines set forth below; (b) "Qualifying Structure" shall mean a dock or pier (but not a slip) for the docking and/or storage of one (1) power boat or sailboat of size not larger than that approved for docking at the Marina; and (c) "Shoreline" shall mean the shoreline of the Lake Conroe Reservoir.

The Committee shall, with the approval of the non-Developer members thereof, in its sole and absolute discretion determine: (a) which Lots shall constitute a Qualifying Lot for purposes of this Article II, Section 7, and (b) the location (a "Location") and length of Shoreline (a "Length") of each such Qualifying Lot's pier or dock area (a "Pier Area"). The Committee shall, to the extent reasonable and efficient, use the following guidelines in the exercise of its discretion under this paragraph:

- (a) first, all Lots that would directly abut the Shoreline, but for the existence of intervening Common Area, should be considered for designation as a Qualifying Lot;
- (b) second, the Location of a Pier Area for each Qualifying Lot should be as near as feasible to the Qualifying Lot;
- (c) third, all Pier Areas should be of approximately the same Length, except in cases where additional length is required for the safety of adjacent Pier Areas, persons or property located or stored thereon;
- (d) fourth, if feasible and safe, each Qualifying Lot should be assigned a Pier Area; and
- (e) fifth, in the event all Qualifying Lots may not feasibly or safely be granted a Pier Area, the Committee shall use its discretion to assign Pier Areas to as many Qualifying Lots as it may in its sole discretion determine may feasibly and safely be assigned, taking into account the location of the various Qualifying Lots, Shoreline available and such other factors as the Committee shall in its sole discretion deem appropriate.

All determinations, designations, conflicts or discrepancies under, and all rights arising out of or relating to this Section 7 shall be determined, designated and decided by majority vote of the Committee, in its sole discretion. All such determinations, designations and decisions of the Committee with respect to this Section 7 shall be final and binding on all Owners of Lots with respect to matters described in this Section 7. In the event the foregoing guidelines fail to accurately and efficiently resolve any conflict or discrepancy with respect to these matters, the Committee shall in its sole discretion make or use such additional guidelines as may be necessary to consistently resolve conflicts arising out of this Article II, Section 7. No rights granted hereunder shall be inferred to mean that any Owner of a Qualifying Lot shall have the right to build or locate any improvement of any kind outside the boundaries of the Property, whether along the Shoreline or otherwise, without first obtaining appropriate property rights and consent of the owner of such other property, e.g., the San Jacinto River Authority ("SJRA").

Section 8. Marina. The Association may from time to time lease property and obtain rights appurtenant thereto from the SJRA to construct and maintain the Marina. All such rights shall inure to and be maintained for the benefit of the Owners. The Association may charge the Owners who use the Marina reasonable use and rental fees for their use thereof, including without limitation rental of docking areas for appropriate power or sail boats. The Association shall at all times first make all boat docking space at the Marina available to Owners before renting to or allowing use of space thereon by non-Owners. An Owner shall be afforded the preferential right to obtain from the Association space on the Marina for docking of such Owner's boat if such space is rented to a non-Owner. Any rental or use of space on or about the Marina by a non-Owner shall be subject to termination for any reason at the sole discretion of the Association on not more than thirty (30) days prior written notice. Owners of Lots that are not Qualifying Lots (as defined in Article II, Section 7) shall, on a space available basis, have a preferential right (vis-a-vis non-Owners and Owners of Qualifying Lots) to rent space for boat docking at the Marina.

Article III. Association; Membership; Voting Right

Section 1. Membership Qualifications. Each and every Owner of a Lot shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot. Accordingly, upon transfer or conveyance of title, whether by deed, devise, as a matter of law or otherwise, to the last of an Owner's Lot(s), such Owner's membership in the Association shall immediately cease.

Section 2. Classes of Membership and Voting Rights. The Association shall have one class of membership. In matters for which members may vote pursuant to law or this Declaration, each member shall be entitled to one (1) vote for each Lot owned, except as otherwise provided in Article I, Section 6 of this Declaration. When more than one (1) person owns an interest in any Lot, all such interest owners shall be members, and the votes for such Lot shall be exercised as such owners may among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot. For purposes of this

Article III, Section 2, no person or entity having an interest in a Lot merely as security for the performance of an obligation shall be considered a member of the Association.

The Association has been incorporated as a Texas non-profit corporation, and its By-Laws are included by reference herein for all purposes. These By-Laws may be amended from time to time by the Association, in accordance with the provisions thereof; however, they may not be amended to conflict with any provision of this Declaration, except in the manner provided for amending this Declaration in Article X, Section 2 hereof.

Section 3. Association Duties. The Association, as the owner of the Common Area and common elements, shall, among other things, administer the Common Area and associated common elements, recreational facilities and other parts of the Property delegated to its control, all for the benefit of the Association members, the Owners. In such capacity it shall: (a) make assessments for the Common Expense, (b) collect revenues, including without limitation from Assessments, charges for recreational and associated facilities and rental receipts from the Marina, (c) operate, manage and maintain the Common Area, repair, maintain and replace streets, structural elements, and mechanical equipment constituting a part of the common elements, maintain and repair bulkheading from time to time, as well as repair, maintain and replace personal property, improvements and fixtures which may constitute a portion of the common elements; provided however that the duties of the Association shall not in any manner apply or extend to any improvement or appurtenance to any Lot constructed or placed by any Owner (or its predecessors) thereof that extends into or abuts any part of the Common Area. The responsibilities of the Association enumerated in this Article III, Section 3 shall not be deemed exclusive.

Article IV. Relationship Between
HARBOUR TOWN YACHT CLUB, the Developer,
The Association and its Members

Section 1. Separate Existence. The HARBOUR TOWN YACHT CLUB is a Texas non-profit corporation which exists as a social club for the exclusive benefit of its members, and uses certain improvements to the Property for the conduct of its activities, including a clubhouse and marina. The HARBOUR TOWN YACHT CLUB membership and dues assessments are separate from that of the Association and the Association membership. A member of the Association may however, from time to time, maintain concurrent membership in the HARBOUR TOWN YACHT CLUB (if accepted for membership thereto). If Developer is accepted as a member thereof, Developer may, from time to time, maintain membership in the HARBOUR TOWN YACHT CLUB.

Section 2. Membership. No Owner of a Lot shall be required to apply for or be accepted to membership in the HARBOUR TOWN YACHT CLUB. Any Owner desiring to be admitted as a member of the HARBOUR TOWN YACHT CLUB shall after acquiring its interest in such Lot make application for membership thereto, and, if accepted for membership, shall become a member and pay dues as assessed by HARBOUR TOWN

YACHT CLUB. Nothing in this Declaration shall be construed: (a) to require or permit any person or entity to become a member of the HARBOUR TOWN YACHT CLUB prior to acquiring ownership of a Lot, (b) to require an Owner to be a member of the HARBOUR TOWN YACHT CLUB after acquiring ownership of a Lot unless such Owner makes application for and is accepted for membership by the HARBOUR TOWN YACHT CLUB, and (c) to require an Owner to be a member of the HARBOUR TOWN YACHT CLUB if excluded or terminated from membership in the HARBOUR TOWN YACHT CLUB.

Section 3. Recreational Facilities. No Owner shall be required to be a member of the HARBOUR TOWN YACHT CLUB to enjoy full privilege and use (subject to Article II, Section 1 hereof) of the recreational facilities located within or being a part of the Common Area, including without limitation the marina and associated facilities.

Article V. Common Expenses, Assessments, and Liens

Section 1. Common Expenses and Uniform Assessments. Each Lot Owner personally shall be bound and obligated and agrees to pay, as assessments therefor are made during his tenure of Lot ownership, his pro rata share and part of the expenses to promote the recreation, health, safety and welfare of each Lot Owner and of administration and of improvement, maintenance, repair, upkeep, protection, replacement and operation of the Common Area and of any other expenses lawfully agreed to by the Association, all of which expenses herein mentioned are in this Declaration referred to as "Common Expenses". The pro rata share of the Common Expenses which shall be assessed against each Lot Owner and which each Lot Owner agrees to pay, shall be uniform; provided however, Lots not having any improvements shall be assessed at twenty-five percent (25%) of the assessment for Lots with any improvements, whether completed or under construction (for purposes of this sentence the term "improvements" shall mean residential dwelling units). The pro rata share of Common Expenses assessed in accordance with the immediately preceding sentence are hereafter referred to as the "Uniform Share." Assessments for Common Expenses and payments therefor shall be made as determined by the Association. No Lot Owner shall be exempt from paying or contributing his pro rata share of the Common Expenses by waiver of the use or enjoyment of the Common Area or by abandonment of any Lot or its interest therein. The amount of Common Expenses assessed with respect to such Lot Owner shall become the debt and obligation of the Lot Owner at the time the Assessment is made. No Lot Owner shall be liable for any Assessment made after its ownership in such Lot ceases. Assessments for Common Expenses shall be made by the Association on a monthly basis and shall become due and payable monthly. Any Assessment not paid within thirty (30) days after the due date therefor shall bear interest from and after the due date at the rate of nine percent (9%) per annum until paid. No Assessments for Common Expenses shall be made in advance for any period in excess of one (1) year; provided however, that Assessments billed by the Association may be paid monthly by the Lot Owner subject to such Assessment. All sums collected for Common Expenses shall constitute and be known as the "Maintenance Fund."

In the event that any taxing authority having jurisdiction over the Common Area shall levy or assess any tax or special assessment against the Common Area, as opposed to levying and assessing such tax or special assessment against each Lot, then such tax or special assessment so levied shall be paid by the Association as a Common Expense and any taxes or special assessments which are to be so levied shall be included, wherever possible, in the annual Common Expense estimates of this Association, or shall be separately levied and collected as an Assessment by the Association against all Owners. The amount of any tax or special assessment paid or to be paid by the Association in the event that such tax or special assessment is levied against the Common Area, instead of against each separate Lot, shall be apportioned among the Owners, so that the amount of such tax or special assessment so paid or to be paid by the Association and attributable to and to be paid by the Owners shall be his Uniform Share based on such tax or special assessment against the Common Area. In the event that any tax or special assessment shall be levied against the Common Area in its entirety, without apportionment by the taxing authority to each Lot, then the Assessment by the Association, which shall include the proportionate share of such tax or special assessment attributable to each Lot, shall separately specify and identify the amount of such Assessment attributable to such tax or special assessment, and the amount of such tax or special assessment so designated shall be and constitute a lien prior to all mortgages and encumbrances upon any Lot regardless of the date of the attachment and/or recording of such mortgage or encumbrance, to the same extent as though such tax or special assessment had been separately levied by the taxing authority upon each Lot.

All personal property taxes levied or assessed against personal property owned by the Association shall be paid by the Association and shall be included as a Common Expense.

The Association, in the operation, management and maintenance of the Common Area, may assess, collect and maintain a reserve fund for replacement of common elements, which reserve fund shall be for the purpose of enabling the Association to repair, maintain and replace streets, structural elements, bulkheading and mechanical equipment constituting a part of the common elements from time to time, as well as the repair, maintenance and replacement of personal property, improvements and fixtures which may constitute a portion of the common elements held for the joint use and benefit of the Lot Owners. The amount to be allocated to such reserve fund for replacements shall be established by the Association so as to accrue and maintain at all times a sum reasonably necessary to anticipate the need for repair, maintenance and replacement of said common elements. The amount collected and allocated to the reserve fund shall be maintained in a separate account by the Association, although nothing herein contained shall limit the Association from applying any monies in such reserve fund to meet other needs or requirements of the Association in operating or managing the Property in the event of emergencies or in the event that the sums collected from the Lot Owners are insufficient to meet the then financial requirements of the Association.

Except as otherwise specifically reserved by this Declaration, all revenues collected by or for the Association, regardless of the source of such revenues, whether from an Assessment, recreational fees, user fees, rentals or otherwise, shall first be applied to the

expenses of the Association, then to the Common Expenses, then as deemed appropriate by the board of directors of the Association for the best interests of the Lot Owners.

Section 2. Assessment of Developer. Developer shall pay, in lieu of all other Assessments provided for in this Declaration, a one-time assessment on each Lot owned by Developer (the "Developer Assessment"). The Developer Assessment with respect to each Lot owned by Developer shall be deemed assessed and become due and payable only upon the sale of such Lot. The Developer Assessment shall be withheld from the proceeds of sale of each such Lot at the closing thereof for the benefit of and payment to the Association. The amount of the Developer Assessment that shall be paid on each Lot sold by Developer shall be Four Hundred Fifty and NO/100 Dollars (\$450.00), and such amount shall not, except as otherwise provided in this Section 2, vary with the amount of time that passes before the sale of any Lot by Developer and shall not otherwise be altered except by express written agreement of both the Developer and the Association. Except as otherwise expressly provided in this Declaration, Developer shall not be obligated, liable or responsible for the payment of any other Assessment provided for in this Declaration. The Developer Assessment will be secured by the lien provided for in Article V, Section 3 hereof. Notwithstanding anything to the contrary in this Article V, Section 2, from and after the date of any "sale" (as defined in the next succeeding sentence) of a Lot by Developer, the Owner of such Lot shall become a Lot Owner and be subject to assessment under Article V, Section 1 hereof for all purposes. For purposes of this Article V, Section 2 only, the term "sale" shall mean and refer to: (a) any sale, transfer or conveyance of legal or equitable title in and to the subject Lot (except transfers of interests intended to act merely as security for the performance of an obligation), including without limitation a sale by executory contract for deed, (b) the lease of a dwelling unit placed by Developer on a subject Lot for a period that exceeds one (1) year, and (c) the passage of one (1) year from and after the date of substantial completion (suitable for occupancy) by Developer of a dwelling unit on a subject Lot, if neither of the events described in the preceding subparts (a) or (b) of this Section 2 have first occurred.

Section 3. Liens to Secure Assessments. Recognizing that the necessity for providing proper operation and management of the Common Area entails the continuing payment of cost and expenses therefor, which results in the benefit to all Lot Owners and that the payment of such Common Expenses represented by the Assessments levied and collected by the Association is necessary in order to preserve and protect the investment of each Lot Owner, the Association is hereby granted a lien upon each Lot and its appurtenant undivided interest in common elements, which lien shall secure and does secure the monies due for all Assessments now or which may hereafter be levied against each Lot Owner or against the Lot itself, which lien shall also secure the payment of interest, if any, which may accrue on or be due on the amount of any delinquent Assessment owing to the Association, and which lien shall also secure all costs and expenses, including court costs and reasonable attorney's fees, which may be incurred by the Association in enforcing the lien granted hereby upon said Lot. The lien granted hereby to the Association shall further secure such advances for taxes and payments on account of superior mortgages, liens or encumbrances which may be required to be advanced by the Association in order to preserve and protect

its lien, and the Association shall further be entitled to interest at the rate of ten percent (10%) per annum on any such advances made for such purpose. All persons who shall acquire, by whatever means, any interest in the ownership of any Lot, or who may be given or acquire a mortgage, lien or other encumbrance thereon, are hereby placed on notice of the lien rights granted to the Association, and shall acquire such interest in any such Lot expressly subject to such lien rights; except that such lien rights hereby granted to the Association shall be subordinate, secondary and inferior, and the same are hereby expressly rendered and made subordinate, secondary and inferior to the following: (1) all liens for ad valorem real property taxes or special assessments (excluding income taxes and franchise taxes) levied by any city, county or state government(s) or any political subdivision or special district thereof within the boundaries of which the Property is located (collectively, the "Taxing Authorities"), (2) all mortgage, vendor's or deed of trust liens securing amounts due or to become due on any loan made to a purchaser for any part of the purchase price of any Lot filed for record prior to the date payment for such Assessment shall become due and payable, and (3) all mortgage, vendor's or deed of trust liens securing amounts due or to become due on loans made by banks, savings and loans or building and loan associations, trust companies, life insurance companies and all other lending institutions which will include also administrators, guardians, executors, trustees and other fiduciaries which are now or may hereafter be authorized to make real estate loans, hereafter called "Institutional Lenders". In the event the Association shall institute foreclosure proceedings of any lien granted herein to it, it shall give prompt written notice of its commencement of such proceedings to all Institutional Lenders holding superior lien(s) on the Lot which is the subject of such proceedings. Such notice shall be delivered to such Institutional Lender by United States Certified or Registered Mail, postpaid, or by personal service, but failure to give such notice shall not invalidate such proceedings.

Such lien for Assessments herein provided for may be foreclosed, without prejudice and subject to the aforesaid prior and superior liens, by suit by the Association or any authorized officer or member thereof, acting in behalf of all Lot Owners or by the sale in like manner as mortgages or deeds of trust on real property. In any suit for the foreclosure of said lien, the Association shall be entitled to rental from the Owner of the Lot sought to be foreclosed from the date on which the payment of any assessment or installment thereof became delinquent. The rental required to be paid shall be equal to the rental charged for the exclusive use of comparable real property (including improvements) in Montgomery County, Texas. No foreclosure suit or sale thereunder shall affect or impair any of the prior and superior liens above mentioned. The Association or any person authorized by it, acting in behalf of all Lot Owners, shall have power to bid on the Lot foreclosed on at the foreclosure sale and to acquire, hold, lease, mortgage or convey the same on behalf of all Owners. All funds realized from any foreclosure sale shall be applied first to the cost and expense of filing and prosecuting suit or foreclosing its lien, including all costs of court and a reasonable amount for attorney fees, and then towards payment of the Assessment indebtedness sued upon, and the remainder, if any, shall be paid over to the defendant or defendants in the suit or the Owner subject to the foreclosure, as their interest may appear. In the event the proceeds realized from the foreclosure sale applied as aforesaid, shall be insufficient to pay off and discharge the whole amount of the delinquent Assessment sued

on, then the purchaser acquiring title to such Lot at such foreclosure sale, whoever he may be, other than the Owners sued, shall not be liable for the deficiency, but such deficiency, if any, shall be first collected from the delinquent Lot Owner, if possible, and thereafter at the discretion of the Association shall be deemed to be a Common Expense, assessable and collectible from all of the Lot Owners, including such purchaser at the foreclosure sale, on a pro rata basis as part of the Common Expenses. In the event that any Institutional Lender accepts a conveyance of any Lot in lieu of foreclosure, the acquisition of such Lot by such Institutional Lender shall be treated in the same manner as though said Institutional Lender had acquired said Lot at foreclosure or at a judicial sale.

To additionally secure the performance and payment of all Assessments and in consideration of the premises herein set forth, each Lot Owner has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell and convey, and such Owner by accepting and recording the deed conveying such Lot unto such Owner does expressly ratify and confirm such grant, bargain, sale and conveyance unto J. Stephen Durham as trustee, (hereafter called "Trustee") and to his appointed successor trustee(s) in this trust (whether or not recited in such deed), each such Lot described in the applicable deed to each such Owner; To have and to hold said Lot unto said Trustee or his successor(s) forever and further covenanting and agreeing to warrant and forever defend the Lot aforesaid, and every part thereof, unto said Trustee or his successor(s), against every person whomsoever lawfully claiming or to claim the same or any part thereof, in trust, for the security and enforcement of the payment and performance of all Assessments, and should such Lot Owner make default for ninety (90) days in the punctual payment of any Assessment as each such Assessment shall become due and payable, or fail to comply with any of the terms, conditions, provisions or stipulations contained in this Declaration, then, in any such case, it shall be the duty of the Trustee and of his successor or substitute as hereinafter provided, on the request of the Association to enforce this trust; and after advertising the time, place and terms of sale of the above conveyed Lot for at least twenty-one (21) days successively next before the day of sale, by posting up or causing to be posted up written or printed notices thereof at three public places in Montgomery County, Texas, one of which shall be at the Montgomery County Courthouse door, which notices may be posted by the Trustee acting or by any other person, to sell the same in accordance with such advertisement, at public auction, in front of such county courthouse door where such real estate is situated, on the first Tuesday in any month, between the hours of 10:00 o'clock A.M. and 4:00 o'clock P.M. to the highest bidder for cash and make due conveyance to the purchaser or purchasers thereat, with general warranty, but subject to any prior and superior liens, binding said Lot Owner in default, and such Lot Owner's heirs and assigns; and out of the money arising from such sale, the Trustee acting shall pay, first, all expenses of the advertising, sale and conveyance, including a commission of 5% to himself; and then towards payment of the indebtedness arising from Assessments, rendering the balance of said purchase price, if any, to the defaulting Lot Owner, such Lot Owner's heirs and assigns. No foreclosure hereunder shall affect or impair any of the prior and superior liens above mentioned.

It is expressly agreed that the recitals in the conveyance to the purchaser at foreclosure sale shall be presumed to have been performed, and such sale and conveyance

shall be conclusive against the defaulting Lot Owner, such Lot Owner's heirs and assigns, whether such prerequisites shall have been performed or shall not have been performed. In the case of absence, death, inability, refusal, resignation, or failure of the Trustee herein named to act, a successor and substitute may be named, constituted and appointed by the Association without other formality than an appointment and designation in writing, and this conveyance shall vest in him as Trustee, the estate and title in all said Lots owned by Lot Owners, and he shall thereupon hold, possess and execute all the title, rights, powers and duties herein conferred on said Trustee named, and his conveyance to the purchaser at foreclosure shall be equally valid and effective; and such right to appoint a successor or substitute Trustee shall exist as often as, and whenever from any of said causes, any Trustee, original or substitute cannot or will not act. The Association shall have the right to purchase at any such sale by being the highest bidder, and the Association shall be entitled to credit the amount of any obligations for delinquent Assessments of such Lot Owner against the amount of Association's bid at such foreclosure sale. The right of sale hereunder shall be not be exhausted by want of any sale, but the Trustee or substitute Trustee may make other and successive sales and that the power of such sale herein contained shall survive each such successive sale as to amounts of Assessments accruing after the date of the sale and each successive sale.

The Association in any event is hereby authorized to appoint a substitute trustee, or a successor trustee, to act instead of the Trustee named herein without other formality than the designation in writing of a substitute or successor trustee; and the authority hereby conferred shall extend to the appointment of other successor and substitute trustees successively until this Declaration shall expire or terminate, whether by its terms or by vote of the Association in a manner similar to that provided in Article X, Section 2 for amendments to this Declaration, and each substitute and successor trustee shall succeed to all of the rights and powers of the original trustee named herein.

Section 4. Assessments, Payments on Sale, Lease or Mortgage. Upon the sale, conveyance or lease of any Lot, all Assessments against such Lot which have become due and payable by the then Owner thereof and are unpaid (whether or not a claim or lien has been recorded in the public records of Montgomery County, Texas) shall be first paid out of the sale price, rent proceeds or mortgage proceeds therefor by the purchaser, lessee, or lender thereof, in preference over any other assessments or charges of whatever nature, except: (1) assessments, liens, charges in favor of any Taxing Authority for ad valorem real property taxes past due and unpaid on the Lot and (2) amounts due under duly recorded mortgage instruments entitled to priority under Article V, Section 3.

Section 5. Statement of Assessments. The Association shall furnish to any prospective purchaser, lessee, or prospective mortgagee of any Lot, at the request of the Owner or prospective purchaser, lessee, or mortgagee, a statement as to the amount of the unpaid Assessments then due and owing relating to the Lot to be sold or encumbered; and, in case of a sale, such purchaser shall not be liable, nor shall the Lot sold or mortgaged be liable or subject to any lien for any unpaid Assessments not shown on such statement for the period of time covered thereby; however, the selling Lot Owner shall remain personally

liable for the same, and in case of his failure or refusal to pay, then the same shall be collectible from all other Lot Owners on a Uniform Share basis, and, in the event of a mortgage, any then unpaid Assessments not shown on said statement for the period of time covered thereby shall remain the obligation of the Lot Owner mortgaging said Lot, but the Assessment liens securing the same as provided for in Article V, Section 3 of this Declaration shall be and remain secondary, subordinate and inferior to the mortgage and liens held by the mortgagee to whom or for whose information said statement was furnished.

Section 6. Utilities. Water and electric power used by the Association shall be on a master meter, and the cost of the use thereof shall be a part of the Common Expenses assessed under Article V, Section 1 hereof. Each Lot Owner shall furnish and pay for its own electric power, water and telephone service, and any other utilities brought to its Lot by such Lot Owner or in its own name.

Section 7. Property Insurance. The Association, or its authorized representative, shall have the authority to select the insurance company and to obtain and continue in effect blanket Texas standard form property insurance to insure the buildings, structures and improvements in or on the Common Area, and the Owners thereof, in an amount equal to the maximum insurance replacement value thereof, exclusive of excavation and foundation costs, as determined annually by the insurance carrier; or if approved by the Association, said casualty insurance may be carried on not less than an eighty percent (80%) co-insurance basis; such coverage to afford protection against risks of loss or damage by fire and other hazards as are covered under such standard extended coverage provisions, and such other insurance as the Association may from time to time deem appropriate. Such insurance may be written in the name of and the proceeds thereof may be payable to the Association or any person designated by the Association, as Trustee for the Association and its mortgagees, and as their respective interest may appear. All costs, charges and premiums for such insurance shall be part of the Common Expenses assessed under Article V, Section 1 hereof. In case of any injury or damage to or destruction of any part of the Common Area properly covered by such insurance, the insurance indemnity and proceeds shall be applied to reconstruct or repair the improvement or property so damaged or destroyed. The Association or its authorized representative shall have complete power and authority to file proof of loss as may be required, compromise, settle and adjust any and all claims arising under such policy as policies of insurance, and is granted full right and authority to execute in favor of any insurer, a release of liability arising out of any occurrence covered by any policy or policies of fire and casualty insurance and resulting in loss of or damage to insured property. If the insurance proceeds are in excess of the cost of the repair, replacement or reconstruction of such common elements, then such excess insurance proceeds shall be paid to the Association reserve fund for replacement of common elements. If it appears that the insurance proceeds covering the casualty loss or damage payable are not sufficient to pay for the repair, replacement or reconstruction of the loss or damage, or that the insurance proceeds when collected will not be so sufficient, then the Association shall pay out of its reserve for replacements fund such amount which with the insurance proceeds would pay for the repairs, reconstruction or replacement of any loss or damage, and if the amount in such reserve for replacements fund is not sufficient, the Association shall levy and collect

an Assessment under Article V, Section 1 against each Lot Owner for its Uniform Share of an amount which shall be required to be paid for said repair, replacement or reconstruction.

In the event of loss or damage to property covered by such fire and casualty insurance, the Association shall, within sixty (60) days after any such occurrence, obtain reliable and detailed estimates of the cost to place the damaged property in condition as good as that before such loss or damage, such estimates to contain and include the cost of any professional fees and premium for such bond as the Association may deem to be in the best interests of the membership of said Association.

In the event of the loss or damage to personal property belonging to the Association or constituting a portion of the common elements, and should the Board of Directors of the Association determine not to replace such personal property as may be lost or damaged, then the insurance proceeds received by the insurance Trustee shall be deposited to the Association reserve fund for replacement of such damaged personal property or common elements.

Contracts for repair, replacement or reconstruction of loss or damage shall be let by the Association, which also shall authorize payments to be made thereunder.

Any and all of the above stated or any other insurance, including re-insurance, placed or contracted for by the Association must be so placed with an insurer licensed and authorized to do business in the State of Texas, and maintaining a licensed agent in the State of Texas.

Section 8. Public Liability and Other Insurance. The Association or its representative shall also have the authority to select the insurance company and to obtain adequate comprehensive public liability insurance in such limits as it shall deem desirable but not less than \$10,000.00 for property damage, \$300,000.00 for injury or death of one person, \$500,000.00 for injury to or death of more than one person in one accident and Workmen's Compensation Insurance and any other liability insurance as it may deem desirable, insuring the Association and the Owners from and against liability in connection with the Common Areas, to the extent such insurance may be obtained, and all costs, charges and premiums for all such insurance shall be deemed a "Common Expense" and the Association shall levy and collect an Assessment under Article V, Section 1 against each Lot Owner for its Uniform Share for such insurance.

Section 9. Individual Insurance. Each Lot Owner shall at its own personal cost and expense at all times purchase and have in effect Texas standard form insurance on its own residence, carport, and parking space, including decorations, furnishings and personal property therein, and its personal property stored elsewhere on the Property, whether on the Common Areas or elsewhere, and for its own personal liability not covered by liability insurance for Owners obtained as part of the Common Expense. Notwithstanding anything in this Article V, Section 9, the Association shall not have any duty or obligation of any kind to enforce or monitor compliance with the provisions of this paragraph; and provided further

that no action or course of dealing/performance taken or undertaken by the Association from time to time, in its sole discretion, to cause compliance under this paragraph shall in any manner be deemed to create any duty or obligation of the Association to continue to enforce or monitor compliance with the provisions of this paragraph.

Article VI. Architectural Control

Section 1. Formation and Selection of Committee. An Architectural Review Committee (the "Committee") is hereby formed to exist separate and apart from the Association, which Committee shall be generally responsible for the review and approval of matters in any way arising out of or relating to the type, quality and construction of improvements on the Property, subject to all other provisions of this Declaration. The Committee shall consist of five (5) members. So long as the Developer shall own thirty-one (31) Lots in Harbour Town it shall be entitled to designate three (3) of the Committee members. The members of the Association who are residents of Harbour Town shall elect all other members of the Committee as constituted from time to time. All members of the Committee, except the Developer appointees thereof, shall be members of the Association. When the Developer no longer owns thirty-one (31) Lots in Harbour Town, the residents of Harbour Town shall elect all of the members of the Committee. No member of the Committee shall be entitled to compensation for services performed as a member of the Committee. Except as otherwise specifically provided herein, the vote of the majority of the Committee shall constitute committee action.

Section 2. Restrictions and Approval by Committee. No unit, fence, wall or other structure shall be commenced, erected or maintained by an Owner upon the Property, nor shall any exterior addition to or change or alteration be made on any improvement on the Property until the plans and specifications showing the nature, kind, shape, height, material, color and location of the same shall have been submitted to and approved in writing by the Committee as to harmony of external design and location in relation to surrounding structures and topography and in conformity with the objective standards set forth in this Article VI, Section 2.

Any and all improvement(s) to any Lot constructed after July 1, 1979 (the "Criteria Deadline") shall meet the following objective standards (collectively, the "Building Criteria"):

- A. The unit shall consist of at least 1,200 square feet; provided that twenty-one (21) of the Lots identified in Exhibit Y to the Third Amendment may have units with a minimum of 1,100 square feet;
- B. The unit shall not exceed 40 feet in elevation;
- C. The unit shall have exterior walls of masonry, brick, wood, wood shake, or glass; and

- D. The unit shall not be identical in exterior appearance to an adjacent unit (in the sense that units constructed as of the effective date of the Third Amendment are not identical).

Units in existence as of the Criteria Deadline are hereby approved. Except as modified by the Building Criteria, any unit constructed after the Criteria Deadline that is made of substantially the same design and materials as a unit in existence as of the Criteria Deadline shall be approved. Without in any way limiting the application of the Building Criteria, multi-unit townhouses, dual common-wall residences and patio homes are permitted, provided such units meet the Building Criteria. Any dwelling unit otherwise meeting the Building Criteria may incorporate a garage within its structure. The Building Criteria may be varied only by the affirmative vote of four (4) of the five (5) members of the Committee.

In addition to the Building Criteria, the following requirements shall be adhered to in the development of the 203 lots identified in Exhibit Y to the Third Amendment (the "Development Lots"): the Committee shall project size controls so that at the approval of the fiftieth (50th) unit of each cumulative group of fifty (50) units placed on the Development Lots, the cumulative average size of all the units which are approved for construction on the Development Lots after the Criteria Deadline shall be at least 1,450 square feet and at least ten percent (10%) shall have a minimum of 1,800 square feet. By way of example, but not of limitation, at the approval of the 100th unit, the cumulative average size of all 100 units shall be at least 1,450 square feet and at least ten (10) of the units shall have at least a minimum of 1,800 square feet.

In the event that any unit is damaged or destroyed, the Committee shall approve plans and specifications which would restore the unit to the condition of such unit before the damage or destruction.

Any savings and loan institution, bank, mortgage company, or other lender, and any title company, title abstract company, or title attorney shall be entitled to rely upon the written approval or certification by the Committee that a unit conforms to the requirements of this Section.

Section 3. Temporary Developer Structures. Notwithstanding anything to the contrary contained herein, Developer shall have the right to erect and maintain temporary construction buildings, fences, walls or other structures on the Development Lots during development, construction or placing of improvements on any such Lot without the approval of the Committee so long as said temporary improvements are not used for living or housing purposes.

Section 4. Developer Access. Until Developer has completed all construction and development work on any of the Lots or the Property and has sold all of its interest in Lots owned by it within the Property, the Developer and its workmen, agents, employees, servants and representatives shall have free and unobstructed use of and access to all of the Property

as may be required for the completion of such construction and development work and to facilitate sale of its unsold Lots. Developer may make such use of any one or more of the unsold Lots, and improvements thereon, and the Common Area as in its opinion may facilitate completion of the construction and development work and sale of such Lots, including, but not limited to, maintenance of a sales office on any one or more Lots, displaying model homes to the public, and erecting, maintaining and displaying signs upon the Property.

Section 5. Architect. The Committee shall from time to time approve the use of (an) architect(s) for review of plans for development and construction of improvements on the Property. Each such architect shall have and maintain an errors and omissions policy reasonably satisfactory to the Committee. The Committee will review all such development and construction plans with such designated architect as necessary to reach agreement on whether such development or construction may be approved in accordance with the requirements of this Article VI. The fees and costs of such architect will be the expense of the Owner desiring to develop and make such improvements.

Article VII. Party Wall

Section 1. General rules of law to apply. Any wall built as a part of the original construction of any residential dwelling unit on the Lots that is located on the dividing line between any two (2) Lots shall constitute a "party wall," and, to the extent not inconsistent with the provisions of this Article, the general rules of law governing party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners of the two (2) Lots upon which the party wall is located in proportion to their use thereof.

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

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

Section 5. Rights to Contribution Run With Land. The rights of any Owner to contributions from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6. Arbitration. In the event of any dispute arising concerning a party wall or

under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator and the decision of a majority of the arbitrators shall be binding upon the parties to such dispute. Should any party refuse to choose an arbitrator within ten (10) days after written request therefor, the Board of Directors of the Association shall select an arbitrator for the refusing party.

Article VIII. Use Restrictions

Section 1. Residential Use. No Owner shall occupy or use its Lot or any improvement thereon, or permit the same or any part thereof to be occupied or used, for any purpose other than as a private residence for the Owner, the Owner's family, guests and tenants, or if said Owner is other than a natural person, then only as a private residence by the officers, directors, employees, and agents of said Owner, and their families, guests and tenants.

Section 2. Obstruction of Common Area. Except as otherwise provided in Article II, Section 2, Article VI, Section 4 and this Article VIII, Section 2: (a) there shall be no obstruction of the Common Area by any Lot Owner and (b) nothing shall be stored by the Lot Owners in the Common Area without prior written consent of the Association.

Notwithstanding anything to the contrary in this Article VIII, Section 2, improvements in the nature of sidewalks, driveways, patios, porches and decks on, appurtenant to or servicing any of the Lots which abut the Common Area may encroach upon the Common Area immediately adjacent to such Lot; provided however, the design, construction and proposed encroachment of any and all such improvement into the Common Area under this provision shall be subject to prior written approval of the Committee. An easement for each such approved encroachment and the maintenance thereof shall exist. All such improvements shall be repaired and maintained by and at the sole cost and expense of the Lot Owner thereof and shall be insured by the Lot Owner making such improvements, with the Association as additional insured thereon. All such encroachments shall be subject to all superior easements and the provisions of Article IX hereof.

Section 3. Insurance. Nothing shall be done or kept in the Common Area which will increase the rate of insurance on the Common Area, without the prior written consent of the Association. No Lot Owner shall permit anything to be done or kept in the Common Area which will result in the cancellation of insurance on any part of the Common Area, or which would be in violation of any law. No waste will be permitted in the Common Area.

Section 4. Additional Regulations on Use. Use of the Common Area shall be in accordance with the terms of this Declaration and those rules and regulations as may be prescribed and established by the Association from time to time.

Section 5. Improper Use. No immoral, improper, offensive or unlawful use shall

be made of any Lot or the Common Area or any part thereof, and all laws, zoning ordinances and regulations of all governmental authorities having jurisdiction over the Property shall be observed.

Section 6. Nuisances. No nuisances shall be allowed in, on or about the Property, nor shall any use or practice be allowed which is a reasonable source of annoyance to any Lot Owner or which interferes with the peaceful and proper use of the Property by any Lot Owner. No boat, trailer, truck, or motorcycle shall be parked or stored on any street in front of any dwelling unit for more than forty-eight (48) hours. No repair work, dismantling or assembling of motor vehicles or of any other machinery or equipment shall be permitted in any street, driveway or yard area of any Lot or within the Common Area.

In order to preserve the residential character of the Property, no business, trade or profession of any type whatsoever may be conducted by an Owner from within or from any Lot on the Property, without the prior written consent of the Association. The Association shall possess the additional authority to promulgate rules and regulations governing the manner, method and to what degree said uses may be permitted, and further, shall have the power to revoke the granting of such permitted uses when, in the Association's sole discretion, the use in question has become excessive and/or violates the residential character of the Property.

Section 7. Temporary Structures. No structures of a temporary character, trailer, basement, tent, shack, barn, servants quarters or other outbuildings shall be erected or used on any Lot at any time as a residence, either temporarily or permanently; nor shall any used residences or other used structure be moved onto any Lot. During the period of initial construction and sales of dwelling units on the Dwelling Lots, the Developer may erect and maintain such structures as are customary in connection with such construction and sale of such property, including, without limitation, a business office, storage areas, construction yards, signs, model units and sales offices.

Section 8. Signs. No signs of any character shall be displayed to public view on any Lot or building except one sign of not more than five (5) square feet in area advertising the merits of the Property for sale or for rent. During the period of initial construction and sales of dwelling units on the Dwelling Lots, the Developer may use such other signs and displays as it may deem necessary or advisable to advertise the merits of the property for sale or for rent.

Section 9. Association Access. Whenever it is necessary to enter onto any Lot for the purpose of performing any maintenance, alteration or repair to any portion of the Common Area or common elements thereon, the Owner of such Lot shall permit the Association's duly authorized contractor(s) and agent(s) to enter onto such Lot for such purpose, provided that such entry shall be made only at reasonable times and with advance notice to such Owner.

Section 10. Alteration of the Common Area. Association shall have the right to

make or caused to be made such alterations or improvements to the Common Area which do not block any Owner's access to and from its Lot onto the Common Area, unless such Owners' written consent has been obtained before access to and from such Lot is blocked from the Common Area. The cost of such alterations or improvements shall be assessed as a "Common Expense" under Article V, Section 1 hereof; provided however, that when any alterations or improvements are, in the sole opinion and discretion of the Association, exclusively or substantially exclusively for the benefit of a particular Owner or Owners requesting the same, then the cost of such alterations and improvements shall be assessed against and collected solely from such Owner or Owners of such Lot or Lots so exclusively or substantially exclusively benefitted, and the assessment to be levied shall be in such proportion as may reasonably be determined by the Association.

Section 11. Oil and Mining Operations. No gas or oil drilling, gas or oil development operations, petroleum product 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.

Section 12. Livestock and Poultry. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats or other common household pets, not to exceed in number three (3) pets per Lot, may be kept upon such Lot, provided that such pets shall not become a nuisance and shall not be kept, bred, or maintained for any commercial purposes.

Section 13. Garbage and Refuse Disposal. No Lot shall be used or maintained as dumping ground for rubbish. Trash, garbage or other waste shall be kept screened by adequate planting or fencing so as to conceal it from public view. There is reserved in favor of the Association the determination of the method of garbage disposal, that it, whether it shall be through public authority or through private garbage disposal contractors. All incinerators or other equipment for the storage or disposal of such material shall be kept in clean and sanitary conditions, and such equipment shall at all times comply and be used in accordance with all applicable laws, rules and regulations.

Section 14. Sewage Treatment. No sewage treatment system shall be permitted on any Lot.

Section 15. Owner's Maintenance. Each Owner shall maintain and keep in repair any of the following equipment and lines located outside any dwelling unit maintained on its Lot(s): air conditioning and compressor condenser, including pipes and electrical lines connecting same to the residence, sanitary sewer lines connecting the residence to the sanitary sewer collection system, electrical power service conductors from the exterior of the building to the point of connecting to the electric utility company's junction box or transformer, electric circuit breakers, any portion of natural gas and/or telephone service lines located on the Lot but not maintained by the gas or telephone companies, and water service lines from the curb stop to and throughout the dwelling unit.

Section 16. Non-Impairment. No Lot Owner shall: (a) do any act or any work that will impair the structural soundness or integrity of another Owner's residence or impair any easement or hereditament on the Property (except as otherwise provided in Article VIII, Section 2 hereof), or (b) do any act or allow any condition to exist that will adversely affect other residences or their Owners.

Section 17. Outside Antennas. Without prior written approval of the Association, no exterior television, radio or satellite antennas of any sort shall be placed, allowed or maintained upon or about any Lot or any improvements located thereon. The foregoing shall not prohibit the Association from contracting for or constructing any master television, radio or satellite antenna system for the use and mutual benefit of all the Lot Owners, at its discretion.

Section 18. Nondiscrimination. No action shall at any time be taken by the Association which in any manner would discriminate against any Lot Owner in favor of other Lot Owners.

Section 19. Application to Persons Other than an Owner. The benefits and restrictions contained in this Article VIII shall run to and apply to each Owner, and to the extent applicable, to the members of such Owner's family, its tenants, contract purchasers, employees, agents, guests and invitees, and all other persons in, on or about the Property.

Article IX Easements

Section 1. Construction. Each Lot and the Property included in the Common Area shall be subject to an easement for encroachments created by construction, settling and overhangs, as designed or constructed by the Developer. A valid easement for said encroachments and for the maintenance of same, so long as the same stand, shall and does exist. In the event any structure containing two (2) or more residences is partially or totally destroyed and then rebuilt, the Owners so affected agree that minor encroachments of parts of the adjacent residential units on Common Areas due to construction shall be permitted and that a valid easement for said encroachment and the maintenance thereof shall exist.

Section 2. Utility, Emergency and Association. There is hereby created a blanket easement upon, across, over and under all of said Property for ingress, egress, installation, replacing, repairing and maintaining all utilities, including but not limited to water, sewers, gas, telephones and electricity, and a master television, radio and/or satellite antenna system. By virtue of this easement it shall be expressly permissible for the providing electrical and/or telephone company to erect and maintain the necessary poles and other necessary equipment on said Property and to affix and maintain electrical and/or telephone wires, circuits and conduits on, above, across and under the roofs and exterior walls of residences located on the Property. An easement is further granted to all police, fire protection, ambulance, garbage and trash collector personnel and pick-up vehicles and all similar persons to enter upon the Common Area in the performance of their duties.

Further, an easement is hereby granted to the Association, its agents, and to any management company selected by the Association to enter on or to cross over the Common Area and any Lot to perform the duties of maintenance and repair of a residence or the Common Area provided for herein. Notwithstanding anything to the contrary contained in this paragraph, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on the Property except as initially programmed and approved by the Developer or thereafter approved by Developer or the Association. Should any utility furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document, Developer shall have the right to grant such easement of said Property without conflicting with the terms hereof. The easements provided for in this Article shall in no way impair or diminish any other recorded easement on the Property.

Section 3. Underground Utility Services.

(a) **Underground Electric Service.** An underground electric distribution system will be installed to Lots. The Owner of each Lot shall, at his own cost, furnish, install, own and maintain a meter loop (in accordance with the then current standards and specifications of the electric company furnishing service) for the location and installation of the meter of the electric company for the residence constructed on such Owner's Lot. For so long as underground service is maintained, the electric service to each Lot shall be uniform in character and exclusively of the type known as single phase, 120/240 volt, three wire, 60 cycle, alternating current.

(b) **Telephone service.** Telephone service shall be available to each Lot. Service between the telephone company's main lines and an individual residence shall be by way of underground conduit. Such conduit system shall be owned and maintained by the Association, but all service wires therein shall be installed, owned and maintained by the telephone utility.

(c) **Water Service.** Water service shall be provided to each Lot by way of a water distribution system owned by the municipal utility district. That portion of the water service line from the point that it connects to the distribution system owned by the utility district to and throughout the residence shall be owned and maintained by the Owner.

(d) **Sanitary Sewer Service.** Sanitary sewer service shall be provided to each Lot by means of a sanitary sewer collection system owned by the municipal utility district. That portion of the sanitary sewer service line from the point that it connects to the collection system owned by the utility district to and throughout the residence shall be owned and maintained by the Owner.

(e) **Use of Easements.** Notwithstanding any other easements or rights granted in this Declaration, except as otherwise permitted in accordance with prior arrangements with the utility furnishing service, easements for underground utility services shall be kept clear of all improvements (except crossing walkways or driveways), including without limitation buildings, patios, porches and decks, and neither Developer nor any utility company using

or claiming the benefit of such easements shall be liable for any damage done by either of them or their assigns, their agents, employees, or servants, to shrubbery, trees, flowers, or other improvements of the Owner located on the Lot covered by said easements.

Article X. General Provisions.

Section 1. Enforcement. The Association or any Owner having the right to enforce, by any proceeding at law or in equity, may enforce all restrictions, conditions, covenants, reservations, liens, easements and charts now or hereafter imposed by the provisions of this Declaration. All expenses of the Association or its authorized representatives in connection with any such action or proceedings shall be part of the Common Expenses assessed under Article V, Section 1 hereof. The Association or its authorized representatives shall be further empowered and authorized to correct and secure any matter in default and to do whatever may be necessary for such purposes and all expense in connection therewith shall be charged to and assessed against the defaulting Lot Owner and shall be secured in the same manner as Assessments. The Owner or Owners of each Lot shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, or by that of any member of his family or his or their guests, employees, agents, or lessees, but only to the extent that such expense is not met by the proceeds of insurance, whether carried by the Association or otherwise. Nothing herein contained, however, shall be construed so as to constitute a waiver by insurance companies of rights of subrogation. Failure by the Association or by any Owner to enforce any restrictions, conditions, covenants, reservations, liens, easements or charges herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Amendment. The restrictions, covenants, conditions, liens, easements and charges of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is executed, after which time they shall be automatically extended for successive periods of ten (10) years each unless the same are terminated prior to the next renewal date by an agreement signed by the Owners representing seventy-five (75%) percent of the Lots, and filed for record in the office of the then Recording Clerk for such instruments in Montgomery County, Texas. Except as provided below with respect to Developer, the provisions of this Declaration shall not be changed or amended except by the written consent of Owners representing seventy-five (75%) percent of the Lots. Each such amendment agreed upon by such Owners may be executed in counterparts, all of which shall be deemed to be one original, and shall be filed for record in the same manner as filing this Declaration. No such amendment shall affect the rights of any mortgagee of any Lot unless the mortgagee consents to the same in writing.

Notwithstanding anything to the contrary in this Declaration, the Developer as Owner of any Lot or Lots, reserves and shall at all times during its ownership of any Lot have the unconditional right to amend this Declaration and the Plat, if necessary, without consent or approval of any other Owner, for the purpose of: (a) correcting any error in this

Declaration, (b) making this Declaration comply with any applicable laws, rules, regulations or orders of any governmental agency or court, if this Declaration shall be so deficient in any such respect, (c) redefining, redescribing, rearranging or replatting the boundaries or dimensions of any two (2) or more Lots owned by it, or any part of such Lots, in order to: (i) make fewer lots out of the same, or (ii) subject to the provisions of Section 6 of Article II hereof, to increase, decrease or change the size, square footage, shape or dimensions of any Lot owned by it, or (d) redefining, redescribing, rearranging, redesignating or replatting (subject to the limitations of Article II, Section 2 hereof) the boundaries, dimensions or density of use of any parking area on the Plat designated to serve any Lots owned by Developer. Any amendment made to the Plat by Developer under the foregoing provision is hereby expressly authorized and consented to by each Owner (including all successors-in-interest to each Owner). The rights of amendment hereby reserved by Developer shall exist notwithstanding anything in this Declaration or in the Plat to the contrary, and such rights may be exercised by Developer as often as it desires for the purposes or for any of the purposes aforesaid.

Section 3. Notices. Notice to the Association provided for in this Declaration or by the By-Laws of the Association shall be in writing and shall be addressed to the Association at the address for the Association which may be established from time to time. Notice to the Owners shall be sent to the mailing addresses of their respective Lots, or to such other address which an Owner may in writing designate by notice thereof to the Association. Notice to the Developer provided for in this Declaration shall be in writing and shall be addressed to the Developer at its address as established from time to time.

Section 4. Interpretation. If any provision, sentence, word or clause contained in this Declaration or in the By-Laws of the Association shall be susceptible to two or more interpretations, the interpretation which shall most nearly be in accord with the intent of this Declaration and the By-Laws shall govern.

Section 5. Omissions. In the event of the omission from this Declaration of any provision or stipulation which shall be necessary for the accomplishment of the intent and purpose of this Declaration or any part thereof, then such omission or omitted matters shall be supplied by inference and/or by reference to the By-Laws of the Association.

Section 6. Severability. If any provision of this Declaration or By-Laws of the Association or any other instrument reference to which has been made herein, or any section, sentence, paragraph, clause, phrase or word, or the application thereof in any circumstance shall be invalid or unenforceable, the validity or enforceability of the remainder of this Declaration, the By-Laws of the Association and other exhibits thereto and of the application of any such provision, sentence, paragraph, clause, phrase or word in any other circumstances shall not be affected thereby.

Section 7. Unrestricted land. The provisions of this Declaration and the By-Laws of the Association shall not cover or include any part of the Property shown to be unrestricted on the Plat, except that such unrestricted land shall be eligible as additional

lands as provided for in Article I, Section 6, and elsewhere in this Declaration.

Section 8. Singular/Plural; Gender. All words used in the singular form in this Declaration shall include the plural, and the plural shall include the singular, each as appropriate to the context in which used. Any use or designation of gender in the neuter or the masculine shall also mean and refer to the feminine, and *vice versa*, irrespective of the context in which used.

DRC\HARBOUR\DECLARE.HTC

HARBOUR TOWN HOMEOWNERS ASSOCIATION

209
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c/o Property Manager

2025 Lakewood Ct.

Willis, Texas 77318

RESOLUTION IMPLEMENTING FINES FOR DEED RESTRICTION VIOLATIONS

WHEREAS, the Board of Directors of the Harbour Town Homeowners Association (the "Association"), held a Board of Directors meeting on July 16th, 2009; and

WHEREAS, the Board of Directors determined that the litigation of deed restriction violations, including, but not limited to, the construction of improvements within the subdivision which have not been approved by the Architectural Review Committee, can be a time consuming and expensive process for both the Association and the individual members concerned; and

WHEREAS, the Board of Directors determined that non-complying members might respond more readily to Association requests to effect compliance following the imposition of a fine rather than the Association immediately turning the matter over to legal counsel; and

WHEREAS, the Board of Directors determined that adoption of such a policy would be appropriate and in accordance with, among other things, Tex. Prop. Code Ann. §204.010 (11) (21), as well as Tex. Non-Profit Corporations Act. Art. 1396-2.02 (15); and

WHEREAS, a deed restriction fine policy attached hereto as Exhibit "A" was presented to the Board for its approval; and

WHEREAS, during the course of business, a vote of the Board of Directors was taken to approve adoption of the proposed policy pursuant to the Association's Bylaws; and

WHEREAS, upon review of the votes cast for the above proposal, it was determined that the attached policy of imposing fines for deed restriction violations was passed by a vote of the Board of Directors; NOW, THEREFORE,

BE IT RESOLVED, that the Association, acting by and through its Board of Directors, shall prepare and implement a written policy outlining the imposition of fines for the violation of its restrictive covenants as well as the rules and regulations promulgated therefrom.

BE IT ALSO RESOLVED, that this policy be published to the membership.

2009-111930

The payment of fine does not grant a variance for a violation, nor does it enable a homeowner to allow the violation to remain unabated. All violations must be corrected in a manner satisfactory to the Association.

Procedures for Deed Restriction Violation Notice and Implementation of Fines

An owner of property within the Harbour Town Subdivision whose lot or residence is in violation of dedicatory instruments governing the Harbour Town Subdivision, including all statutory laws supplementing same, shall be provided notice of the violation in the following manner:

- | Step | Action |
|------|--|
| 1. | Each lot owner ("Owner") is responsible for assuring that Owner's tenant(s), occupant(s), guest(s) and invitees comply with the provisions of the Dedicatory Instruments. In the event an Owner, tenant, occupant, guest or invitee of an Owner violates any of the provisions of the Dedicatory Instruments (a "violation"), the Association, acting through the Board, shall have the authority to impose a fine as described below upon the Owner. |
| 2. | The Owner will be sent a First Notice courtesy letter upon inspection of a violation requesting immediate cure of same. If the violation is not cured within 10 days from the date of the letter, the Owner will be sent a Second Notice. |
| 3. | The Second Notice will advise the Owner that a violation fine in an amount determined by the ARC will be imposed on the Owner's account should the owner fail to cure the violation. This letter will comply with notice requirements set forth under Texas Law including, but not limited to, the Texas Residential Property Owners Protection Act, and will advise the Owner that the Owner has the right to request a hearing before the Board of Directors. Said request for a hearing must be received in writing within 30 days from the date of the receipt of the letter. If said violation is not cured within 30 days from the date of the receipt of the letter or a hearing date has not been established, the Owner will be sent a Third Notice |
| 4. | The Third Notice will impose an additional violation fine in an amount determined by the ARC. This letter will also advise the Owner that the Owner has the right to request a hearing before the Board of Directors. Said request for a hearing must be received in writing within 8 days from the date of the letter. If said violation is not cured within 15 days from the date of the letter or a hearing date has not been established, the Owner's file will be sent to the Board of Directors for attorney referral and review of each violation. |
| 5. | The Association, acting through the Board, is hereby authorized at its sole discretion to impose a lesser fine or no fine at all for a violation of the Dedicatory Instruments. Any adjustment to the Fine by the Board shall not be construed as a waiver of this Fine Policy or the Dedicatory Instruments. |
| 6. | This Fine Policy is in addition to any other remedy the Association may have to pursue a violation of the Dedicatory Instruments and in no way limits or estops |

the Association from pursuing any other remedy to enforce the Dedicatory Instruments including dispensing with the Notice and Hearing provisions set forth in the Texas Property Code under situations where same do not apply as set forth in Section 209.006 of the Texas Property Code.

7. The process to be used by the Association in connection with any hearing before the Board requested by a homeowner relating to a deed restriction violation is attached to this resolution as **Exhibit "A"** and is incorporated herein for all purposes.

Hearing Process

The following process shall be used for Harbour Town Homeowners Association in connection with any hearing before the Board of Directors requested by a homeowner relating to a deed restriction violation. Any request for a hearing that does not comply with the process detailed below will be treated as if no request for a hearing had been made by the homeowner receiving the notice of violation.

Step

Action

1. A written request for a hearing shall be submitted to:

Harbour Town Homeowners Association
c/o Property Manager

2025 Lakewood Ct.

Willis, TX 77318
2. The written hearing request must be received within the time deadline set forth in the notice.
3. The written hearing request must include pertinent backup information, if any, that will support the existence of the extenuating circumstances or help to explain why the violation does not exist.
4. At the hearing, the Board shall review all information, listen to an Owner's presentation, and render a decision based on a majority vote of the quorum of Board Members present. In the event a majority decision is not reached, a continuance hearing shall be scheduled within thirty (30) days. All decisions of the Board are final and may not be further appealed.
5. All fines imposed may be collected as permitted by law.

FILED FOR RECORD

2009 DEC -9 PM 4: 03

Mark Turnbull
COUNTY CLERK
MONTGOMERY COUNTY, TEXAS

STATE OF TEXAS
COUNTY OF MONTGOMERY

I hereby certify this instrument was filed in
File Number Sequence on the date and at the time
stamped herein by me and was duly RECORDED in
the Official Public Records of Real Property at
Montgomery County, Texas.

DEC - 9 2009



Mark Turnbull

County Clerk
Montgomery County, Texas

RECORDER'S MEMORANDUM:

At the time of recordation, this instrument was
found to be inadequate for the best photogra-
phic reproduction because of illegibility, carbon
or photo copy, discolored paper, etc. All black-
outs, additions and changes were present at the
time the instrument was filed and recorded.

SECTION SIX

SUPPLEMENT TO THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE HARBOUR TOWN CLUB PERTAINING TO THE ANNEXATION OF HARBOUR TOWN, SECTION SIX

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF MONTGOMERY §

WHEREAS, On August 7, 1972 FIRST REALTY INVESTMENT CORPORATION, a Texas corporation ("First Realty"), did make and file certain Restrictions (the "Seven Coves Restrictions"), recorded in Volume 782, Page 346 of the Deed Records of Montgomery County, Texas, said Restrictions being applicable to that certain 60.0678 acre tract of land (the "Seven Coves Tract") theretofore platted and subdivided according to that certain plat or map styled "SEVEN COVES, SECTION II", which plat was duly recorded in Volume 10, Pages 37 and 38 of the Map Records of Montgomery County, Texas;

By instrument dated May 17, 1972, filed for record in the Deed Records of Montgomery County, Texas under Clerk's File No. 318441, at Volume 815, Page 855 of the Deed Records of Montgomery County, Texas, First Realty conveyed a certain 37.3127 acre tract (the "Harbour Town Tract") out of the Seven Coves Tract to HARBOUR TOWN DEVELOPMENT COMPANY, a Texas corporation ("HTDC"), subject to, among other things, certain of the Seven Coves Restrictions;

By instrument dated effective October 10, 1973 and filed for record at Clerk's File No. 332689, being Vol. 835, Page 258 of the Deed Records of Montgomery County, Texas, First Realty and the owners of the Seven Coves Tract amended the Seven Coves Restrictions to release, cancel and remove said restrictions, reservations, covenants,

conditions, charges, liens, encumbrances, building lines and easements referred to therein, insofar as the same relate to, among others, that part of the Seven Coves Tract conveyed to HTDC as part of the Harbour Town Tract;

On February 19, 1975, HARBOUR TOWN DEVELOPMENT COMPANY, a Texas corporation, having had a place of business in Montgomery County, Texas, did make and file a certain Declaration of Covenants, Conditions and Restrictions for the Harbour Town Club (the "1975 Declaration"), recorded in Volume 884, Page 18, of the Deed Records Montgomery County, Texas, said 1975 Declaration being applicable to that certain 37.3127 acre tract of land out of the Elijah Collard Survey, Abstract No. 7, Montgomery County, Texas, as more particularly described on Exhibit "A" attached to the 1975 Declaration. The above identified 37.3127 acres is also the subject of a plat or map styled "HARBOUR TOWN CLUB, SECTION ONE", which plat was duly recorded in Volume 12, Page 16, Map Records of Montgomery County, Texas. The above identified 37.3127 acre tract was subsequently replatted by a replat styled "Replat of HARBOUR TOWN CLUB, SECTION ONE", dated June 1975, which replat is duly filed of record in the Office of the County Clerk of Montgomery County, Texas, under File No. 7511596, Cabinet A, Sheet 193, of the Map Records of Montgomery County, Texas;

By instrument styled "First Amendment to the Declaration of Covenants, Conditions and Restrictions for the Harbour Town Club" dated June 11, 1975, filed of record in Volume 895, Page 394 of the Deed Records of Montgomery County, Texas (the "First Amendment"), the 1975 Declaration was amended as more fully set out therein;

By instrument styled "Second Amendment to the Declaration of Covenants, Conditions and Restrictions for the Harbour Town Club" dated October 11, 1975, filed of record in Volume 910, Page 343, of the Deed Records of Montgomery County, Texas (the "Second Amendment"), the 1975 Declaration, as amended, was further amended as more fully set out therein;

By instrument styled "Third Amendment to the Declaration of Covenants, Conditions and Restrictions for the Harbour Town Club" dated on or about July 1979 filed for record at various Clerk's File numbers in Volumes 1145-1150 in multiple originals in the Deed Records of Montgomery County, Texas (the "Third Amendment"), the 1975 Declaration, as amended, was further amended as more fully set out therein;

By instrument styled "Fourth Amendment to the Declaration of Covenants, Conditions and Restrictions for the Harbour Town Club" dated on or about March 1980 filed for record in multiple originals at various Clerk's File numbers in the Deed Records of Montgomery County, Texas (the "Fourth Amendment"), including without limitation Clerk's File No. 8009049, the 1975 Declaration, as amended, was further amended as more fully set out therein;

By Deed dated August 29, 1988, filed for record in the Deed Records of Montgomery County, Texas under Clerk's File No. 8844556, LAKON ENTERPRISES, INC., a Delaware corporation, became the owner of certain Lots (as defined in the 1975 Declaration, as amended) and succeeded to the rights of HARBOUR TOWN DEVELOPMENT COMPANY, a Texas business corporation, as Developer (the 1975 Declaration, as amended by the First Amendment, the Second Amendment, the Third Amendment and the Fourth Amendment is hereinafter referred to as the "Existing Declaration");

By instrument styled "Fifth Amendment to the Declaration of Covenants, Conditions and Restrictions for the Harbour Town Club" dated on or about March 31, 1994, filed for record in

the Deed Records of Montgomery County, Texas (the "Fifth Amendment"), the Existing Declaration was further amended as more fully set out therein;

By instrument styled "Sixth Amendment to the Declaration of Covenants, Conditions and Restrictions for the Harbour Town Club" dated on or about June 28, 1995 filed for record in the Deed Records of Montgomery County, Texas (the "Sixth Amendment"), the Existing Declaration was further amended as more fully set out therein;

By instrument styled "Seventh Amendment to the Declaration of Covenants, Conditions and Restrictions for the Harbour Town Club" dated on or about October 27, 2006 filed for record in the Deed Records of Montgomery County, Texas (the "Seventh Amendment"), the Existing Declaration was further amended as more fully set out therein;

WHEREAS, Article X, Section 9 of the Existing Declaration, as amended and restated, pertaining to annexation of additional land, provides for a method whereby Harbour Town Club (the "Association"), with the consent of the membership, may bring additional land from time to time within the scope and effect of the Existing Declaration, as amended and restated; and

WHEREAS, RICHARDSON INTERESTS, INC., a Texas corporation (hereinafter referred to as "Richardson"), is the owner of the following property:

4.016 acres of land and improvements thereon, more particularly described on the plat thereof known as "Harbour Town, Section Six", same being recorded under Montgomery County File Number 2006-123561, Cabinet Z, Sheet 511 and 512 in the Map Records of Montgomery County, Texas (said land being sometimes referred to herein as "Harbour Town, Section Six")

WHEREAS, Richardson desires to annex Harbour Town, Section Six into the Harbour Town Club Subdivision in compliance with and in the manner set forth in Article X, Section 9,

of the Existing Declaration, as amended, for the purpose of further carrying out a general and uniform plan for the special improvement, development, sale and use of the Lots described on the plat of Harbour Town, Section Six, such that the restrictions, covenants and conditions set forth in the Existing Declaration, as amended, shall, upon the recordation of this Supplemental Declaration in the Deed Records of Montgomery County, Texas, apply to and affect all of the land within in Harbour Town, Section Six. In addition, Richardson, because of the uniqueness of the properties comprising Harbour Town, Section Six, seeks to impose upon all land encompassed and within Harbour Town, Section Six additional provisions, as outlined below, which are in addition to the restrictions, covenants and conditions set forth in the Existing Declaration, as amended, which additional provisions shall, upon the recordation of this Supplemental Declaration in the Deed Records of Montgomery County, Texas apply to and affect all of the land within Harbour Town, Section Six. Accordingly, in this regard, Harbour Town, Section Six will be annexed to the Harbour Town Club Subdivision and the Existing Declaration as well as the additional Harbour Town, Section Six Provisions, defined below, will apply to and affect all of the land within Harbour Town, Section Six by reason of the filing of this Supplemental Declaration.

NOW, THEREFORE, Richardson does hereby make and declare that the provisions of the Existing Declaration, as amended, as well as the Harbour Town, Section Six provisions, as defined below, shall, on or after the date of the execution of this Supplemental Declaration, apply and affect all property located within Harbour Town, Section Six, and Harbour Town, Section Six shall now and hereafter be held, sold, and conveyed subject to same which are for the purpose of protecting the value and desirability of and which shall run with such real property and be binding and inure to the benefit of all parties now or hereafter having any right, title or

interest in such real property or any part thereof, their respective heirs, successors and assigns, forever. To that end, Harbour Town, Section Six, a subdivision in Montgomery County, Texas, as described above, is hereby annexed to and shall become part of the Harbour Town Club Subdivision and shall hereafter, upon the recording of this Supplemental Declaration in the Deed Records of Montgomery County, Texas, be and become subject to all of the covenants, conditions and provisions of the Existing Declaration, as amended. Specifically, all restrictions, maintenance assessments, conditions and covenants set forth in the Existing Declaration, and all Amendments thereto relating to the Harbour Town Club Subdivision, shall apply identically to Harbour Town, Section Six in addition to the below-noted provisions which are unique to Harbour Town, Section Six (the "Harbour Town, Section Six Provisions"). The Harbour Town, Section Six Provisions will be enforced by the Association solely upon the Lots and land that comprise Harbour Town, Section Six to the extent that these provisions are different from, add to, or supplant the provision(s) currently set forth in the Existing Declaration, as amended.

The Association shall (i) enforce the restrictive covenants applicable to the Harbour Town, Section Six as it is hereafter brought within its jurisdiction, (ii) pay for the maintenance of the section, as provided in the Harbour Town, Section Six Provisions, as it is hereafter brought within the Association's jurisdiction, (iii) enforce the Architectural Control relating to any and all improvements erected within the section by and through the Architectural Review Committee and the Board of Directors of the Association, (iv) collect assessments imposed upon each lot located within the section in an amount and manner provided for in the Harbour Town, Section Six Provisions and (v) treat the property within Harbour Town, Section Six in a non-discriminating fashion, on an equal basis, and in the same manner as the property currently

located within the Harbour Town Club including, but not limited to, allowing owners of lots within the annexed section the right to use all facilities and amenities of the Association.

The Harbour Town, Section Six Provisions

Article I. Definitions

Developer

“ **‘Developer of Harbour Town, Section Six’** or **‘Richardson’** shall mean and refer to Richardson Interests, Inc, a Texas corporation, its successors and assigns (all rights of the Developer of Harbour Town, Section Six hereunder being expressly assignable).”

Common Area

“ **‘Common Area’** shall mean all the property and improvements in the Harbour Town, Section Six Plat less and except Lot 1 of Block 1, Lots 1, 2 and 3 of Block 2, Lots 1, 2, 3, 4, 5, 6, 7, 8, and 9 of Block 3, and Lots 1, 2, 3, 4 and 5 of Block 4 and any private streets that are deeded to the Association by the Harbour Town, Section Six Developer. All property and improvements that are deeded to the Association by the Section Six Developer must have a clear title and be free of any liens or encumbrances.”

Lot Owner

“ **‘Lot Owner’** shall mean and refer to the Owner of any Lot in Harbour Town, Section Six. The Harbour Town, Section Six Developer is considered a Lot Owner for purposes of all assessments provided for in the Existing Declaration, as modified by the Harbour Town, Section Six Provisions, so long as the Harbour Town, Section Six Developer owns any Lot located within Harbour Town, Section Six.”

Article II. Property Rights

Private Streets

Richardson shall be charged with and pay the cost and expenses for the administration, maintenance, repairs, operation, protection, and upkeep of the private streets located

within Harbour Town, Section Six until such time as Richardson deeds and transfers the private streets to the Association at a mutually agreed upon time. The transfer of the private streets to the Association from Richardson shall not occur before the release of the street paving bonds and the end of the warranty period by the paving contractor (or eighteen (18) months, whichever occurs later.) Richardson will insure and warrant that the private streets located within Harbour Town, Section Six meet the design requirements of the City of Conroe as well as the County of Montgomery and that the streets will have been inspected, certified and accepted by a professional engineer prior to release of the street paving bonds. Title to property on which streets are built must be free and clear of liens and encumbrances prior to deeding and transferring to the Association. After the private streets located within Harbour Town, Section Six have been deeded and transferred to the Association, the Association shall pay for the administration, operation, maintenance, repair, operation, protection and upkeep of the private streets located within Harbour Town, Section Six and such maintenance to become a part of the Common Expense.

Richardson agrees to, at its expense, interconnect the streets in Harbour Town, Section Six with Windlass Lane and Keel Court to provide a seamless roadway to the previously developed Harbour Town Club Subdivision. In addition, Richardson agrees to install street lights, with underground electrical cable running to each street light, and further agrees that the electrical cable will be extended to a connection point for power metering that is agreed upon by both the Association as well as Richardson.

Piers; Docks

Richardson is required to build, install and assign six piers and docks for the five Qualifying Lots in Harbour Town, Section Six. Each pier will contain a cutout of size sufficient to accommodate a boat of at least 20 feet in length on a boat lift.

In this regard, Richardson will install piers and docks with cutouts for boats and lifts for the five Qualifying Lots in Harbour Town, Section Six and will properly license them with the San Jacinto River Authority (SJRA) and maintain them until such time as Lot Owners take over ownership of the Qualifying Lot(s) and the SJRA license the piers and docks to which the Lot(s) are assigned.

Article III. Association; Membership; Voting Right**Association Duties**

The Association's duty to maintain and replace the private streets located within Harbour Town, Section Six does not include the private streets shown on the plat titled Harbour Town, Section Six until such time as the private streets are deeded and transferred by Richardson to the Association.

Article V. Common Expenses, Assessments, and Liens

The pro rata share of Common Expenses for the Lot Owners of the thirteen (13) non-waterfront Lots shown on the plat titled Harbour Town, Section Six shall be increased by a surcharge of 25% of the pro rata share of Common Expenses (Uniform Share).

The Owner or Owners of a dwelling unit on a tract which includes more than one (1) Lot (but not more than two (2) Lots) shall be subject a surcharge that will vary based on how the Lots have been combined into a tract. A tract that consists of one (1) Lot plus any part of another Lot shall pay a surcharge of 38% of the pro rata share of Common Expenses (138% of the Uniform Share). A tract that consists of two Lots combined shall pay a surcharge of fifty percent (50%) of the pro rata share of Common Expenses (150% of the Uniform Share).

Such resultant share (125%, 138%, 150% of the Uniform Share) is hereby deemed to be "uniform" because the surcharge is for the purpose of recovering the approximate cost of grounds keeping within the private property of non-waterfront Lot Owners in Harbour Town, Section Six, such private property being different from the character of Lots in the other parts of the Harbour Town Club Subdivision which are generally surrounded by Common Area. The cost of all grounds keeping of the private property on each Lot in Harbour Town, Section Six is considered a Common Expense.

The Association, in its sole discretion, will determine the type and quality of grounds keeping work to be performed on the Lots of Harbour Town, Section Six, such work to be consistent in type and quality as the Association performs on its Common Area. Additional grounds keeping work on the private property may be arranged by the Lot Owner at the Owner's expense. Grounds keeping by the Owner does not offset, negate, change or affect the surcharge to the Uniform Common Share for any Lot or tract.

The Association has the authority to decrease the surcharge to a value below 25%, 38% or 50% of the Uniform Share (as defined above) but may not increase the surcharge to the Uniform Share above the value as defined and stated in this Section.

Article VI. Architectural Control

The non-waterfront Lots in Harbour Town, Section Six will be permitted to erect a fence enclosing the back yard of the Lot, with no part of fence being placed in front of the residence. Such fence, when approved by the Committee, must be constructed of black square tubular steel material, be similar in appearance to wrought iron, and be no taller than five (5) feet in height.

Any approved fence will enclose only the area of an individual Lot, or one Lot plus part or all of an adjacent Lot, provided said Lots have common ownership and are improved as a single but larger Lot.

No swimming pools may be constructed on any Lot. A hot tub may be constructed on the rear patio in an enclosed yard with approval by the Committee.

Article VIII. Use Restrictions

Signs

No signs of any character shall be displayed to public view on any Lot or building except one sign of not more than five (5) square feet in area advertising the merits of the Property for sale or for rent. During the period of initial construction and sales of

dwelling units on the Dwelling Lots, the Developer of Harbour Town, Section Six may use such other signs and displays as it may deem necessary or advisable to advertise the merits of the property for sale or for rent.


Association Access

Whenever it is deemed necessary, as determined solely by the Association, to enter onto any Lot in Harbour Town, Section Six that is private property, for the purpose of grounds keeping on the Lot, the Owner of such Lot shall permit the Association's duly authorized contractor(s) and agent(s) to enter onto such a Lot for such purpose, provided that such entry shall be made only at reasonable times and with advance notice to such Owner.

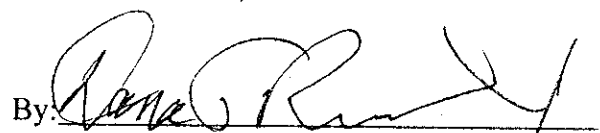
A maintenance easement on each Lot located within Harbour Town, Section Six, as shown on the Harbour Town, Section Six Plat, exists for the purpose of permitting the Association access to Lots in Harbour Town, Section Six for grounds keeping.

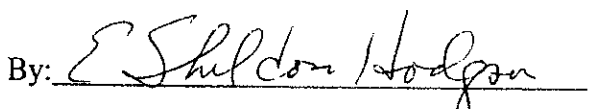
WITNESS the execution hereof this 25th day of October, 2006.

THE HARBOUR TOWN CLUB

By: 
HERBERT T. CRISLER, President

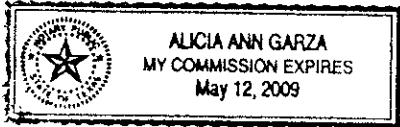
RICHARDSON INTEREST, INC.

By: 
Dana Richardson, President

By: 
E. Sheldon Hodgson, Secretary

THE STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

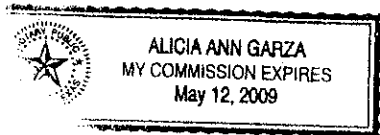
This instrument was acknowledged before me on this 25th day of October, 2006, by Herbert Crisler, President of The Harbour Town Club, a Texas Corporation, on behalf of said corporation.



Alicia Garza
Notary Public in and for the State of Texas

THE STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

This instrument was acknowledged before me on this 25th day of October, 2006, by E. Sheldon Hodgson, Secretary of The Harbour Town Club, a Texas Corporation, on behalf of said corporation.

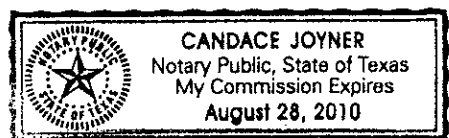


Alicia Garza
Notary Public in and for the State of Texas

THE STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

This instrument was acknowledged before me on this 25th day of October, 2006, by Dana Richardson, President of Richardson Interests, Inc., a Texas Corporation, on behalf of said corporation.

Candace Joyner
Notary Public in and for the State of Texas



**SEVENTH AMENDMENT TO THE DECLARATON OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR THE HARBOUR TOWN CLUB**

Recitals

On August 7, 1972 FIRST REALTY INVESTMENT CORPORATION, a Texas corporation ("First Realty"), did make and file certain Restrictions (the "Seven Coves Restrictions", recorded in Volume 782, Page 346 of the Deed Records of Montgomery County, Texas, said Restrictions being applicable to that certain 60.0678 acre tract of land (the "Seven Coves Tract") theretofore platted and subdivided according to that certain plat or map styled "SEVEN COVES, SECTION II", which plat was duly recorded in Volume 10, Pages 37 and 38 of the Map Records of Montgomery County, Texas;

By instrument dated May 17, 1972, filed for record in the Deed Records of Montgomery County, Texas under Clerk's File No. 318441, at Volume 815, Page 855 of the Deed Records of Montgomery County, Texas, First Realty conveyed a certain 37.3127 acre tract (the "Harbour Town Tract") out of the Seven Coves Tract to HARBOUR TOWN DEVELOPMENT COMPANY, a Texas corporation ("HTDC"), subject to, among other things, certain of the Seven Coves Restrictions;

By instrument dated effective October 10, 1973 and filed for record at Clerk's File No. 332689, being Vol. 835, Page 258 of the Deed Records of Montgomery County, Texas, First Realty and the owners of the Seven Coves Tract amended the Seven Coves Restrictions to release, cancel and remove said restrictions, reservations, covenants, conditions, charges, liens, encumbrances, building lines and easements referred to therein, insofar as the same relate to, among others, that part of the Seven Coves Tract conveyed to HTDC as pan of the Harbour Town Tract;

On February 19, 1975, HARBOUR TOWN DEVELOPMENT COMPANY, a Texas corporation, having had a place of business in Montgomery County, Texas, did make and file a certain Declaration of Covenants, Condition and Restrictions for the Harbour Town Club (the "1975 Declaration"), recorded in Volume 884, Page 18, of the Deed Records Montgomery County, Texas, said 1975 Declaration being applicable to that certain 37.3127 acre tract of land out of the Elijah Collard Survey, Abstract No. 7, Montgomery County, Texas, as more particularly described on Exhibit "A" attached to the 1975 Declaration. The above identified 37.3127 acres is also the subject of a plat or map styled "HARBOUR TOWN CLUB, SECTION ONE", which plat was duly recorded in Volume 12, Page 16, Map Records of Montgomery County, Texas. The above identified 37.3127 acre tract was subsequently replatted by a replat styled "Replat of HARBOUR TOWN CLUB, SECTION ONE", dated June 1975, which replat is duly filed of record in the Office of the County Clerk of Montgomery County, Texas, under File No. 7511596, Cabinet A, Sheet 193, of the Map Records of Montgomery County, Texas;

By instrument styled "First Amendment to the Declaration of Covenants, Conditions and Restrictions for the Harbour Town Club" dated June 11, 1975, filed of record in Volume 895, Page 394 of the Deed Records of Montgomery County, Texas (the "First Amendment"), the 1975 Declaration was amended as more fully set out therein;

By instrument styled "Second Amendment to the Declaration of Covenants, Conditions and Restrictions for the Harbour Town Club" dated October 11, 1975, filed of record in Volume 910, Page 343, of the Deed Records of Montgomery County, Texas (the "Second Amendment"), the 1975 Declaration, as amended, was further amended as more fully set out therein;

By instrument styled "Third Amendment to the Declaration of Covenants, Conditions and Restrictions for the Harbour Town Club" dated on or about July 1979 filed for record at various

Clerk's File numbers in Volumes 1145-1150 in multiple originals in the Deed Records of Montgomery County, Texas (the "Third Amendment"), the 1975 Declaration, amended, was further amended as more fully set out therein;

By instrument styled "Fourth Amendment to the Declaration of Covenants, Conditions and Restrictions for the Harbour Town Club" dated on or about March 1980 filed for record in multiple originals at various Clerk's File numbers in the Deed Records of Montgomery County, Texas (the "Fourth Amendment"), including without limitation Clerk's File No. 8009049, the 1975 Declaration, as amended, was further amended as more fully set out therein;

By Deed dated August 29, 1988, filed for record in the Deed Records of Montgomery County, Texas under Clerk's File No. 8844556, LAKON ENTERPRISES, INC., a Delaware corporation, became the owner of certain Lots (as defined in the 1975 Declaration, as amended) and succeeded to the rights of HARBOUR TOWN DEVELOPMENT COMPANY, a Texas business corporation, as Developer (the 1975 Declaration, as amended by the First Amendment, the Second Amendment, the Third Amendment and the Fourth Amendment is hereinafter referred to as the "Existing Declaration");

By instrument styled "Fifth Amendment to the Declaration of Covenants, Conditions and Restrictions for the Harbour Town Club" dated on or about March 31, 1994 filed for record in the Deed Records of Montgomery County, Texas (the "Fifth Amendment") the Existing Declaration was further amended as more fully set out therein;

By instrument styled "Sixth Amendment to the Declaration of Covenants, Conditions and Restrictions for the Harbour Town Club" dated on or about June 28, 1995 filed for record in the Deed Records of Montgomery County, Texas (the "Sixth Amendment") the Existing Declaration was further amended as more fully set out therein;

The Harbour Town Club Association, in its capacity as representative for the collective Owners of property located within the Harbour Town Club , desires, following the receipt of written consent of the Owners representing at least seventy-five percent (75%) of the Lots, to further amend and restate the Existing Declaration as provided herein below;

WITNESSETH:

NOW THEREFORE, the HARBOUR TOWN CLUB ASSOCIATION, in behalf of the Owners representing at least seventy-five percent (75%) of the Lots, such representation reflected in a resolution by the Harbour Town Club Association attaching the Owners affirmative consent and filed in the Deed Records of Montgomery County, Texas, hereby make and declare this Seventh Amendment to the Declaration of Covenants, Conditions and Restrictions for the Harbour Town Club (hereinafter referred to as the "Seventh Amendment"), so that on or after the effective date hereof:

The Existing Declaration shall be amended such that the following provision is added to the General Provisions of Article X. To wit:

Article X.

Section 9. Annexation. It is contemplated that additional adjoining properties may be hereafter subdivided into one or more sections of the Harbour Town Club. In this connection, it is also contemplated that such additional section or sections will, when so subdivided, be subjected to restrictive covenants comparable to those currently in place for the Harbour Town Club and, specifically, to residential restrictions as well as a maintenance assessment comparable to the residential restrictions and maintenance assessment in place at the time of annexation. It is also contemplated that, subsequent to such annexation, the owners of property in such additional sections will become members of the Association pursuant to the terms of this Declaration and of the Articles of Incorporation of the Association. It is further contemplated that, in accordance with the annexation of any further section, the Association shall (i) enforce the restrictive covenants applicable to the section as it is hereafter brought within its jurisdiction, (ii) pay for the maintenance of the section as it is hereafter brought within the Association's jurisdiction, (iii) enforce the Architectural

EXECUTED this 25th day of October, 2006.

HARBOUR TOWN CLUB:

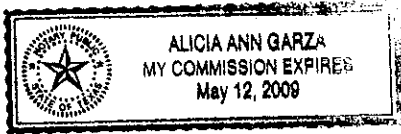
By: [Signature]
President

By: E. Sheldon Hodgson
Secretary

THE STATE OF TEXAS §
§
COUNTY OF MONTGOMERY §

BEFORE ME, the undersigned authority, on this day personally appeared Herbert Thomas Crisler, President of The Harbour Town Club, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes therein expressed and in the capacity therein stated.

Given under my hand and seal of office this the 25 day of October, 2006.

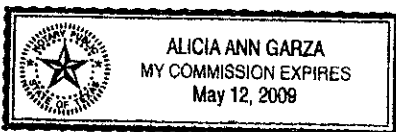


[Signature]
Notary Public in and for the State of Texas

THE STATE OF TEXAS §
§
COUNTY OF MONTGOMERY §

BEFORE ME, the undersigned authority, on this day personally appeared E. Sheldon Hodgson, Secretary of The Harbour Town Club, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes therein expressed and in the capacity therein stated.

Given under my hand and seal of office this the 25th day of October, 2006.



[Signature]
Notary Public in and for the State of Texas

SUPPLEMENTAL AMENDMENT TO THE AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR THE HARBOUR TOWN CLUB

This Supplemental Amendment to the Amended and Restated Declaration of Covenants, Conditions and Restrictions for the Harbour Town Club ("Supplemental Amendment") is made by the undersigned, being the current Lot Owners and Members of the Harbour Town Club, a Texas Non-Profit Corporation.

PI145-2016033025-8

RECITALS

On August 7, 1972 FIRST REALTY INVESTMENT CORPORATION, a Texas corporation ("First Realty"), did make and file certain Restrictions (the "Seven Coves Restrictions", recorded in Volume 782, Page 346 of the Deed Records of Montgomery County, Texas, said Restrictions being applicable to that certain 60.0678 acre tract of land (the "Seven Coves Tract") theretofore platted and subdivided according to that certain plat or map styled "SEVEN COVES, SECTION II", which plat was duly recorded in Volume 10, Pages 37 and 38 of the Map Records of Montgomery County, Texas;

By instrument dated May 17, 1972, filed for record in the Deed Records of Montgomery County, Texas under Clerk's File No. 318441, at Volume 815, Page 855 of the Deed Records of Montgomery County, Texas, First Realty conveyed a certain 37.3127 acre tract (the "Harbour Town Tract") out of the Seven Coves Tract to HARBOUR TOWN DEVELOPMENT COMPANY, a Texas corporation ("HTDC"), subject to, among other things, certain of the Seven Coves Restrictions;

By instrument dated effective October 10, 1973 and filed for record at Clerk's File No. 332689, being Vol. 835, Page 258 of the Deed Records of Montgomery County, Texas, First Realty and the owners of the Seven Coves Tract amended the Seven Coves Restrictions to release, cancel and remove said restrictions, reservations, covenants, conditions, charges, liens, encumbrances, building lines and easements referred to therein, insofar as the same relate to, among others, that part of the Seven Coves Tract conveyed to HTDC as part of the Harbour Town Tract;

On February 19, 1975, HARBOUR TOWN DEVELOPMENT COMPANY, a Texas corporation, having had a place of business in Montgomery County, Texas, did make and file a certain Declaration of Covenants, Condition and Restrictions for the Harbour Town Club (the "1975 Declaration"), recorded in Volume 884, Page 18, of the Deed Records Montgomery County, Texas, said 1975 Declaration being applicable to that certain 37.3127 acre tract of land out of the Elijah Collard Survey, Abstract No. 7, Montgomery County, Texas, as more particularly described on Exhibit "A" attached to the 1975 Declaration. The above identified 37.3127 acres is also the subject of a plat or map styled "HARBOUR TOWN CLUB, SECTION ONE", which plat was duly recorded in Volume 12, Page 16, Map Records of Montgomery County, Texas. The above identified 37.3127 acre tract was subsequently replatted by a replat styled "Replat of HARBOUR TOWN CLUB, SECTION ONE", dated June 1975, which replat is duly filed of record in the Office of the County Clerk of Montgomery County, Texas, under File No. 7511596, Cabinet A, Sheet 193, of the Map Records of Montgomery County, Texas;

By instrument styled "First Amendment to the Declaration of Covenants, Conditions and Restrictions for the Harbour Town Club" dated June 11, 1975, filed of record in Volume 895, Page 394 of the Deed Records of Montgomery County, Texas (the "First Amendment"), the 1975 Declaration was amended as more fully set out therein;

By instrument styled "Second Amendment to the Declaration of Covenants, Conditions and Restrictions for the Harbour Town Club" dated October 11, 1975, filed of record in Volume 910, Page 343, of the Deed Records of Montgomery County, Texas (the "Second Amendment"), the 1975 Declaration, as amended, was further amended as more fully set out therein;

By instrument styled "Third Amendment to the Declaration of Covenants, Conditions and Restrictions for the Harbour Town Club" dated on or about July 1979 filed for record at various Clerk's File numbers in Volumes 1145-1150 in multiple originals in the Deed Records of Montgomery

County, Texas (the "Third Amendment"), the 1975 Declaration, amended, was further amended as more fully set out therein;

By instrument styled "Fourth Amendment to the Declaration of Covenants, Conditions and Restrictions for the Harbour Town Club" dated on or about March 1980 filed for record in multiple originals at various Clerk's File numbers in the Deed Records of Montgomery County, Texas (the "Fourth Amendment"), including without limitation Clerk's File No. 8009049, the 1975 Declaration, as amended, was further amended as more fully set out therein;

By Deed dated August 29, 1988, filed for record in the Deed Records of Montgomery County, Texas under Clerk's File No. 8844556, LAKON ENTERPRISES, INC., a Delaware corporation, became the owner of certain Lots (as defined in the 1975 Declaration, as amended) and succeeded to the rights of HARBOUR TOWN DEVELOPMENT COMPANY, a Texas business corporation, as Developer (the 1975 Declaration, as amended by the First Amendment, the Second Amendment, the Third Amendment and the Fourth Amendment is hereinafter referred to as the "Existing Declaration");

By instrument styled "Fifth Amendment to the Declaration of Covenants, Conditions and Restrictions for the Harbour Town Club" dated on or about May 2006 filed for record in the Deed Records of Montgomery County, Texas (the "Fifth Amendment") the Existing Declaration was further amended as more fully set out therein;

By instrument styled "Sixth Amendment to the Declaration of Covenants, Conditions and Restrictions for the Harbour Town Club" dated on or about June 2006 filed for record in the Deed Records of Montgomery County, Texas (the "Sixth Amendment") the Existing Declaration was further amended as more fully set out therein;

By instrument styled "Seventh Amendment to the Declaration of Covenants, Conditions and Restrictions for the Harbour Town Club" dated on or about June 2006 filed for record in the Deed

Records of Montgomery County, Texas (the "Seventh Amendment"), the Existing Declaration was further amended as more fully set out therein;

By instrument styled "Supplement to the Declaration of Covenants, Conditions and Restrictions for the Harbour Town Club Pertaining to the Annexation of Harbour Town, Section Six" dated on or about June 2006 filed for record in the Deed Records of Montgomery County, Texas (the "Seventh Amendment"), the Existing Declaration was further amended as more fully set out therein;

WHEREAS, Article X, Section 2 of the Existing Declaration, requires the written consent of Owners representing seventy-five percent (75%) of the Lots to amend the Existing Declaration for any reason;

WHEREAS, Texas Property Code Section 209.0041(h) statutorily lowers the approval vote by Owners for any amendment to the Existing Declaration to sixty-seven percent (67%); and

WHEREAS, the Harbour Town Club, in its capacity as representative for the collective Owners of property located within the Harbour Town Club community, desires, following the receipt of written consent of the Owners representing at least sixty-seven percent (67%) of the Lots as required by law, to further amend and restate the Existing Declaration as provided herein below.

WITNESSETH:

NOW THEREFORE, the HARBOUR TOWN CLUB, in behalf of the Owners representing at least sixty-seven percent (67%) of the Lots, hereby make and declare this Supplemental Amendment to the Amended and Restated Declaration of Covenants, Conditions and Restrictions for the Harbour Town Club (hereinafter referred to as the "Supplemental Amendment"), so that on or after the effective date hereof:

The Existing Declaration shall be amended such that the following provisions are added to the Use Restrictions found under Article VIII. To wit:

Article VIII, Section 20 of the Declaration is hereby added:

“Section 20. Sex Offenders Prohibited. No registered sex offender (as that term is defined under all applicable federal, state and/or local laws) shall be permitted to own, lease or otherwise reside in any Lot within the Harbour Town Club subdivision or hold standing as a member of the Association. Any conveyance or attempted conveyance of any interest in a Lot within the Harbour Town Club subdivision to a registered sex offender shall not be considered to transfer to such person or persons any right to enter upon the roadways or otherwise utilize any of the Common Areas within the Harbour Town Club subdivision. This Restriction as to any specific transfer of property may be modified or rescinded by the Board of Directors of the Harbour Town Club (“Board”), but said modification or rescission shall not be deemed effective unless in writing and recorded with the Deed Records of Montgomery County, Texas, subsequent to consideration by the Board and a determination that the person or persons so applying are, in the Board’s sole determination, no longer a danger or threat to the Harbour Town Club subdivision based upon the facts and circumstances existing and presented to the Board at the time such rescission is made. This Covenant shall not be utilized at any time by the Board to discriminate against purchasers or Lot owners on the basis of race, sex, national or ethnic origin or any other protected class of persons under federal, state or local law. The Board, or any committee to which authority is delegated with regard to the enforcement of this Restriction, shall be personally immune from any liability for enforcement. Existing Owners or Lot Owners as those terms are defined in this Declaration shall be exempt from this Restriction until such time that they transfer their interest so owned in any Lot or Lots, whether by sale, exchange, gift, devise or otherwise, and regardless to whom the Lot or Lots are transferred to.”

Article VIII, Section 21 of the Declaration is hereby added:

“Section 21. Leasing. All leases for residences within the Harbour Town subdivision must be in writing, for a six (6) month term or longer, and subject to all dedicatory instruments of the Association, including but not limited to, this Declaration, By-laws, and all other rules and regulations promulgated by the Board of Directors.

All leases must encompass the entire residence; no partial rentals of residences are permitted. Owners are forbidden from using any service, whether in print, broadcast, hosted website, or otherwise, that advertises the partial rental. This restriction on partial rentals controls regardless of the nomenclature used to describe such arrangements, including a service’s attempt to characterize the arrangement as “host and guest” or similar language. The

Association considers such arrangements purely commercial in nature that constitute an impermissible use of the residence under this Declaration.

No transient or hotel leases are permitted. "Transient or hotel leasing" means leasing of a residence for singular and/or blocks of days less than the minimum term set forth herein, including weekend rentals, bed-and-breakfast accommodations, or other arrangements whereby the occupants of the residence are provided customary hotel services and/or temporary occupancy of the residence.

For all leases executed within the Harbour Town subdivision, within thirty (30) days following lease execution, the Owner shall report to the Association the following information regarding the lease:

- a. Names of all tenant(s) including any minor children occupying the residence;
- b. Emergency contact phone number for tenant(s);
- c. Term/duration of the lease.

In lieu of producing the above information, the Owner can also submit a copy of the executed lease to the Association. For any multi-year lease, the Owner shall notify the Association of any changes to the above information on an annual basis. Any information obtained by the Association will be added to the Owner's file and remain confidential, subject to all record retention and production laws and the requirements of this Declaration as applicable.

To the extent that this provision conflicts with any other rule, regulation or policy of the Association, this provision shall control."

With the exception of the above provisions, in all other aspects the Existing Declaration shall remain in full force and effect as originally written and recorded. This instrument may be executed by multiple counterpart signature pages, each of which shall be attached hereto as needed and incorporated by reference herein for all purposes. This Supplemental Amendment shall become effective when signed by the Owners representing at least sixty-seven percent (67%) of the Lots and recorded in the Official Property Records of Montgomery County, Texas.

Executed this the 16 day of FEBRUARY, 2016.

The Harbour Town Club



Wes Wiebe, President



Leslie Hausler, Secretary

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly-elected and acting Secretary of the Harbour Town Club ("Association"), a Texas non-profit corporation;

That the foregoing constitutes the Supplemental Amendment to the Existing Declaration of said Association, as duly approved by the affirmative vote or written consent of the Owners representing at least 67% of the Lots as required by the Amendment provision of the Existing Declaration and as modified by state law. As custodian of the Association's records, I can attest that the signature pages evidencing the necessary percentage of Owners approving said amendment are retained by the Association according to the prevailing policy governing document retention and all applicable state law.

IN WITNESS WHEREOF, I have hereunto subscribed my name this the 16 day of FEBRUARY, 2016.

The Harbour Town Club



Leslie Hausler, Secretary

STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

BEFORE ME, the undersigned authority, on this day personally appeared LESLIE HAUSLER, Secretary of the Harbour Town Club, known by me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that s/he executed the same for the purposes and consideration therein expressed and in the capacity therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 16 day of FEBRUARY, 2016.




Notary Public for the State of Texas

AFTER RECORDING RETURN TO:
NORTH LAW, P.C.
1010 Lamar, Suite 1500
Houston, TX 77002

FILED FOR RECORD

04/20/2016 2:00PM

Mark Turnbull

COUNTY CLERK
MONTGOMERY COUNTY, TEXAS

STATE OF TEXAS
COUNTY OF MONTGOMERY

I hereby certify this instrument was filed in file number
sequence on the date and at the time stamped herein
by me and was duly RECORDED in the Official Public
Records of Montgomery County, Texas.

04/20/2016



Mark Turnbull

County Clerk
Montgomery County, Texas

2007-057255

3
12

Covenant to Run With Lots Two, Three, and Four of Block Four in Harbour Town Club Section Six

KNOW ALL MEN BY THESE PRESENTS:

Richardson Interests, Inc., the Developer of Harbour Town Club Section Six and the current owner of the real property identified below, does make and declare that the Covenant set forth in this document shall run with the real property identified below both now and as same is hereafter held, sold and conveyed to any future parties, and such Covenant shall be binding on all parties who hold any right, title or interest in the real property identified below or any part thereof including their heirs, successors and assigns, forever:

THAT, the real property to which this Covenant applies, now and forever, are three Lots located within Harbour Town Club Section Six, per Plat recorded under File No. 2006-123561, Cabinet Z, Sheet 512, Montgomery County, Texas, namely:

- Lot 2, Block 4 of Harbour Town Club Section Six
 - Lot 3, Block 4 of Harbour Town Club Section Six
 - Lot 4, Block 4 of Harbour Town Club Section Six,
- (hereinafter sometimes collectively referred to as the "Property")

THAT, all Lots in Section Six, including the Property, have been annexed into Harbour Town Club and are subject to the Amended and Restated Declaration of Conditions, Covenants and Restrictions for the Harbour Town Club (hereinafter referred to as the "Restrictions") including Article VI Section 2 which states, in part: "...no...exterior change or alteration may be made on any improvement on the Property until the plans and specifications...material, color...have been approved in writing by the Committee...."

THAT, the Developer of Section Six built upon the Property town homes with areas of roofs that are not separately identifiable on the side of the town homes which faces a southerly direction;

THAT, the Architectural Review Committee (the "ARC"), identified and empowered by and through the Restrictions, has determined that it will not presently approve the replacement of any single roof among these three town homes constructed upon the Property but, instead, will require that, when one of the three roofs must be replaced, all three roofs must be replaced at the same time in order to maintain and ensure that a common color and texture exists on the common roof shared by all three town homes erected upon the Property;

THAT all purchasers of any lot comprising the Property are hereby notified that the COMMON ROOF REPLACEMENT/MAINTENANCE REQUIREMENT as described below applies to each owner of a town home located within the Property now and in the future;

HTC ARC
WALW - OK

DMG

THAT all owners of the Property must disclose to any future purchaser of any lot within the Property that this Covenant and its related COMMON ROOF REPLACEMENT/ MAINTENANCE REQUIREMENT is in place. Such notification should be in the form of a signature acknowledged addendum from the purchaser, or the equivalent, and should be attached to, and be a part of, any real-estate sales contract relating to the sale of any of the three lots which comprise the Property.

COMMON ROOF REPLACEMENT/ MAINTENANCE REQUIREMENT

Should roof replacement be required on the three town homes comprising the Property, ALL THREE OF THE SOUTHERLY FACING ROOFS MUST BE REPLACED AT THE SAME TIME and should be replaced with shingles of the same style, color, texture and look. All roof replacement projects shall be submitted to, and approved by, the ARC prior to beginning the project as required by the Restrictions.

If an Owner of any of the three town homes erected upon the Property does not keep his portion of the common roof in good repair, such Owner can be cited to be in violation of the Restrictions.

Owners of the town homes located on the Property are hereby notified that the ARC will NOT approve a project application that results in one of the three un-separated town home roofs being different in style, color, texture, or look from the two other town home roofs which comprise the common roof area which faces south. Any Owner of the Property initiating a roof replacement project is required to obtain the cooperation and approval of all other Owners of the Property before beginning a roof replacement project in order to ensure that the criteria set forth in the Covenant and COMMON ROOF REPLACEMENT/ MAINTENANCE REQUIREMENT are satisfied.

This Covenant requires that all Owners of the three lots which comprise the Property must work cooperatively to keep their common shared roof in good repair and are required to replace all three town home roofs when one roof must be replaced. Replacement costs should be shared by the Owners of the Property. If the Owners of the Property fail to cooperate and act in accordance with the Covenant, then the Harbour Town Association may declare all Owners of the Property to be in violation of this Covenant as well as the Restrictions and may pursue all remedies, both legal and equitable, available to same.

THIS COVENANT TO RUN WITH THE LAND IS EXECUTED THIS 17th DAY OF May 2007 BY RICHARDSON INTERESTS, INC. AND FILED WITH MONTGOMERY COUNTY COURT.



Dana T. Richardson, Jr.
President, Richardson Interests, Inc.

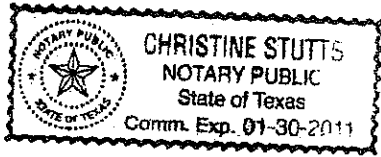
HTC-ARC
WDW-OK



State of Texas }}

County of Montgomery }}

On this day of May 18, 2007, before me, the undersigned Notary Public in and for said county and state, personally appeared Dana T. Richardson, Jr., President of Richardson Interests, Inc., known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged that the same was executed and delivered as his free and voluntary act for the purposes therein set forth and in the capacity therein stated. In witness whereof, I hereunto set my hand and official seal as of the date hereinabove stated.



Christine Stutts

Notary Public in and for the State of Texas

FILED FOR RECORD

07 MAY 18 AM 11:43

Mark Tumbull
COUNTY CLERK
MONTGOMERY COUNTY, TEXAS

STATE OF TEXAS
COUNTY OF MONTGOMERY
I hereby certify this instrument was filed in
File Number Sequence on the date and at the time
stamped herein by me and was duly RECORDED in
the Official Public Records of Real Property at
Montgomery County, Texas.

MAY 18 2007



Mark Tumbull
County Clerk
Montgomery County, Texas

By - Laws

BY-LAWS OF HARBOUR TOWN CLUB

The Board of Directors and the members of Harbour Town Club (the "Association"), by adoption of the following at a duly announced and properly held meeting of the members of the Association, on even date, do hereby declare these to be the amended By-Laws of Harbour Town Club, and that these By-Laws shall replace and supersede the By-Laws adopted by the original Board of Directors and Incorporators of the Association on February 18, 1975, and any amendments thereto.

ARTICLE I

General

Section 1. Purpose. The Association is a private non-profit corporation duly organized under the laws of State of Texas, and exists and functions pursuant to the Declaration of Covenants, Conditions and Restrictions (the "Declaration") for the Harbour Town Club Subdivision (the "Subdivision"), as may have been amended from time to time, recorded in the Official Public Records of Real Property of Montgomery County, Texas. The purpose of the Association shall be to provide an organization for property owners to manage the affairs of the Subdivision, including its real and fiscal property, in keeping with the Declaration and as is further set forth hereinafter.

Section 2. Corporate Name and Principal Office. The corporate name of the Association shall be the Harbour Town Club, and it shall have its office and principal place of business in the Subdivision in Montgomery County, Texas.

Section 3. Corporate Seal. The corporate seal of the Association shall be two concentric circles with the words "HARBOUR TOWN CLUB" inscribed between. In the center of the inner circle shall be a five-pointed star with the word letters "T-E-X-A-S" appearing between the points of the star. Use of the seal shall not be required on any documents executed by the Association.

Section 4. Definitions. As used in these By-Laws, terms shall have the following meanings:

Majority - Unless otherwise defined herein, this term shall mean over fifty percent (50%).

Qualified - This term shall mean a Member who is not delinquent in his/her financial obligations to the Association, including but not limited to maintenance fees, garage fees, marina slip fees, legal costs, special assessments, or late payment fees or penalties as provided in Article III, Section 3, of these By-Laws. A Member shall not be deemed delinquent for non-payment of unbilled financial obligations, provided that he/she has kept the Association advised of an address at which he/she routinely receives mail delivered by the U.S. Postal Service.

Member - This term shall mean any natural person, partnership, corporation, trust or other form of entity who is the record title owner, or contract buyer (in lieu of the record title owner), whether one or more persons or entities, of fee simple title to any lot within the Subdivision, and persons or entities holding title subject to mortgages, but excluding those having interest merely as security for the performance of an obligation. Notwithstanding the foregoing, the term "Member" shall not include the Association.

Quorum - This term shall mean the minimum number of Directors, committee members or Qualified Members of the Association, as applicable, present in person or, unless prohibited by the Board, by proxy, necessary to conduct business. As it relates to meetings of the Members of the Association, unless otherwise specifically provided in these By-Laws, a quorum shall mean Qualified Members holding at least thirty percent (30%) of the total votes. As it relates to meetings of the Board or any committee, a quorum shall mean a majority. For purposes of membership meetings only, Qualified Members present in person or, unless prohibited by the Board, by proxy, shall be counted in determining the minimum number required for a quorum.

Annual Meeting - This term shall refer to the meeting of Members of the Association at which elections are held. Other business properly coming before the Members may also be conducted at this meeting.

Regular Meeting - This term shall refer to periodic business meetings of the Board of Directors or any permanent or temporary committee(s) established by the Board or these By-Laws.

Special Meeting - This term shall mean any meeting of the Members other than the Annual Meeting and any meeting of the Board of Directors or any permanent or temporary committee other than a Regular Meeting.

ARTICLE II

Organization

Section 1. Board of Directors. There shall be a Board of Directors of Harbour Town Club (the "Board") which shall manage the business and financial affairs of the Association. The Board shall consist of a minimum of five (5) and a maximum of nine (9) Members of the Association. The initial number of Directors shall be seven (7); however, the Board may be increased or decreased within the foregoing limits as may be deemed appropriate to the needs of the Association by the Board at any meeting of the Board. An increase may be effected at any time by appointment of additional Directors, and new Directors shall serve until the next Annual Meeting. No decrease in the number of Directors shall have the effect of shortening the term of any incumbent Director.

Section 2. Officers. There shall be a President, a Vice-President, a Secretary and a Treasurer of the Association, all of whom shall be members of the Board. No Director may hold more than one office, except that, at the option of the Board, one Director may serve as both Secretary and Treasurer.

Officers of the Association shall be elected at the first meeting of the Board, which should follow the Annual Meeting of Members of the Association. In the event that a quorum of the newly elected Directors is not present, an acting President shall be elected by those Directors who are present. The acting President shall schedule a Regular Meeting of the Board at the earliest possible time following the Annual Meeting at which a quorum of Board members indicate they can be present.

Section 3. Duties. Duties of the officers of the Association shall be as follows:

President - The President shall be the Chairman of the Board of Directors and shall preside at all meetings of the Board and the Annual Meeting of members of the Association. The President shall have the authority to contract with third parties on behalf of the Association and in accordance with pertinent policies and procedures established for this purpose by the Board.

Vice President - The Vice-President shall serve in the place of the President when the President is absent, incapacitated or otherwise unable to serve. The Vice-President shall also perform such duties as the President may lawfully assign, with the advice and consent of the Board.

Secretary - The Secretary shall be responsible for the taking and preserving the minutes of all meetings of the Board and of the Annual Meeting of members of the Association. The Secretary shall also perform such duties as the President may lawfully assign, with the advice and consent of the Board.

Treasurer - The Treasurer shall be responsible for the keeping of all financial records of the Association, including but not limited to maintenance fees, marina slip fees, garage fees and any late fees or penalties levied for late or delinquent accounts. In addition, the Treasurer shall ensure the timely payment of all valid billings to the Association and the maintenance of all financial accounts established on behalf of the Club, including but not limited to checking accounts and money market accounts. The Treasurer shall also perform such duties as the President may lawfully assign, with the advice and consent of the Board.

Section 4. Committees. There shall be both standing and special purpose committees to ensure the proper fiscal and property management affairs of the Association. These committees shall be established as deemed necessary by the President, with the advice and consent of the Board, and shall serve for such terms as is required to accomplish their purpose.

There shall be an Architectural Review Committee (the "ARC") which shall have the authority and perform the functions detailed in Article VI of the Declaration. In addition, the ARC shall, through an approvals process and in keeping with the Declaration, assure that all projects undertaken by property owners which involve the exterior of residences, including but not limited to painting, roofing, fencing, additions, etc., maintain or enhance the decor, appearance and ambiance of the Subdivision. The ARC shall be an independent committee of a minimum of five (5) members which shall be elected during the Annual Meeting of the Members. The relationship between the ARC and the Board shall be limited to oversight by the Board to ensure that the duties of the ARC are being performed. The Board may increase the membership of the ARC if, in its oversight duty, the Board determines that such increase is necessary for the ARC to perform its duties and responsibilities under the Declaration and these By-Laws.

Section 5. Removal. The officers of the Association and committeemen shall hold office until their successors are elected or appointed or until their death or until their resignation or removal from office. Any officer or committeeman elected or appointed by the Board may be removed at any time by the Board whenever in its judgment the best interests of the Association will be served thereby.

Section 6. Vacancies. Vacancies occurring in any elected office for any reason shall be filled by appointment of a replacement by the Board, in the case of a vacancy on the Board, or by the Chairman of the ARC, in the case of a vacancy on that committee. Such replacements shall serve the remaining term of the office to which they have been appointed.

Section 7. Recalls. Any Director or ARC member may be recalled by a majority of the votes cast by Qualified Members. Petitions for recall must be signed by Qualified Members holding a minimum of twenty-five percent (25%) of the total votes. Voting on recalls shall be by secret ballot taken either by mail and/or at a Special Meeting of the Members, whichever is deemed appropriate by the Board.

ARTICLE III

Elections

Section 1. Board of Directors. The Board of Directors shall be elected at the Annual Meeting of the Members, which shall be held in June. Election shall be by majority of the votes cast by Qualified Members for Qualified Member candidates nominated from the floor and from a list published with the Notice of the Annual Meeting.

Section 2. Architectural Review Committee. The members of the Architectural Review Committee shall be elected at the Annual Meeting of the members of the Association. Election shall be by a majority of the votes cast by Qualified Members for Qualified Member candidates nominated from the floor and from a list published with the Notice of the Annual Meeting.

Section 3. Qualification. Voting shall be limited to Qualified Members of the Association. For a vote to be valid, the Member must be paid up with regard to all currently billed maintenance fees, garage fees, marina slip fees, legal fees, assessments, late fees or penalties in excess of five dollars (\$5.00), deposits or other financial obligations to Harbour Town Club.

Section 4. Voting. Voting for members of the Board of Directors, the Architectural Review Committee, and such other matters as may come before the members of the Association shall be by secret ballot. In all matters submitted to the vote of the Members, each Member shall be entitled to the number of votes equal to the number of lots (as that term is defined in and subject to the terms and provisions of Article I, Section 6, of the Declaration) owned by that Member, subject to the terms of Qualification detailed in Article III, Section 3, of these By-Laws.

Section 5. Proxies and/or Absentee Voting. Proxies and/or absentee voting shall be permitted unless otherwise provided for in the notice announcing a forthcoming election or other meeting of Members at which voting is scheduled. Procedures for voting by proxy or absentee ballot shall be detailed in the meeting notice.

Section 6. Terms of Office. Terms for all elected offices shall be one (1) year or until the next elections are held. At any Annual Meeting, however, and with the approval of a majority of the votes by Qualified Members, staggered two (2) year terms may be effected for either the Board or the ARC, or both, in order to maintain continuity and ensure experience. At the first election subsequent to such approval, three(3) Directors and/or two (2) ARC members shall be selected by those respective bodies to serve one (1) year terms in order to effect the staggered two-year terms.

ARTICLE IV

Meetings

Section 1. Annual Meeting. There shall be an Annual Meeting of the Members in June of each year. The meeting shall be called by the President of the Board through a notice which shall be mailed to each Member. The Notice of the Meeting shall include the purpose(s) of the meeting, the date, place and time of the meeting, a list of candidates or nominees when the meeting agenda includes elections, a copy of any materials upon which the Members of the Association will be requested to vote, instructions for casting votes, an agenda for the meeting, and any other appropriate information pertinent to the purpose(s) of the meeting.

Section 2. Board of Directors Meetings. Meetings of the Board shall be held as often as may be deemed necessary by the Board, but no less frequently than once per quarter. The President of the Board may call meetings of the Board as frequently as may be necessary. In addition, a meeting of the Board may be called upon request of any three members of the Board. Notice of each Special Meeting of the Board shall be given to each Director orally or in writing at least five (5) days before the date of the meeting.

Section 3. Architectural Review Committee Meetings. Meetings of the ARC shall be held on a schedule determined by that Committee. Special meetings of the ARC may be called by either the Chairman of the ARC or any two members of the Committee. Notice of such Special Meeting shall be given to each Committee member orally or in writing at least five (5) days before the date of the meeting.

Section 4. Special Meetings of the Members. Special Meetings of the Members may be called by the Board of Directors or by request of twenty-five percent (25%) of the votes to which Qualified Members are entitled. Request(s) for such a meeting shall be presented to the Board at a Regular Meeting, along with a specific purpose for the meeting and a proposed agenda. Within fourteen (14) days, the Board shall issue a notice of a Special Meeting of Members along with the materials and information pertinent to the purpose of the meeting. The Board shall not be prohibited from expanding the agenda of the meeting to include other matters deemed pertinent.

Section 5. Notice of Membership Meetings and Waiver of Notice. Written notice stating the place, date and hour of the meeting and, in case of a Special Meeting, the purpose(s) for which the meeting is called, shall be delivered not less than ten (10) nor more than sixty (60) days before the date of the meeting, either personally or by mail, by or at the direction of the President, Secretary or the officer or persons calling the meeting, to each Member of the Association.

Notice may be waived in writing signed by the person(s) entitled to such notice. Such waiver may be executed at any time before or after the holding of such meeting. Attendance at a meeting shall constitute waiver of notice, except where the person attends for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called.

ARTICLE V

General

Section 1. Amendments. These By-Laws may be amended in whole or in part by a majority of the votes cast by Qualified Members.

Section 2. Addresses. It shall be the absolute responsibility of each Member to advise the Board in writing of the correct mailing address to which all billings, notices and other materials of importance regarding Harbour Town Club are to be mailed. Failure to do so shall not result in a finding the Board failed in its duty to provide notice(s) as required under these By-Laws to any Member.

Section 3. Broad Authority of Association and ARC. Nothing in these By-Laws shall be deemed to diminish the rights, powers and authority of the Association or the ARC under the Declaration, and notwithstanding any provision to the contrary herein contained, the Association and the ARC shall have and exercise rights, powers, authority and purposes to the full extent provided by the Declaration.

Section 4. Conflicts. In the event of any conflict between the provisions of these By-Laws and those of the Declaration, the provisions of the Declaration shall prevail.

Section 5. Severability. If any provision of these By-Laws or any other instrument to which reference has been made herein, or any Article, Section, paragraph, sentence, clause, phrase or word, or the application thereof in any circumstance shall be in conflict with the Declaration of Covenants, Conditions and Restrictions of Harbour Town Club, or of any valid federal, state or local law or regulation, the validity of the remainder of these By-Laws shall not be affected thereby.

June 17, 1995