2003-068500 337-10-2231 17

DECLARATION OF COVENANTS, CONDITIONS and RESTRICTIONS of GRAND HARBOR SECTION VI & VI-A

THE STATE OF TEXAS

COUNTY OF MONTGOMERY

This Declaration of Covenants, Conditions and Restrictions, made on the date hereinafter set forth by SJ Development, Inc., a Texas corporation d/b/a Grand Harbor hereinafter referred to as "Declarant".

WITNESSETH

Whereas, Declarant is the owner of that certain property known as **Grand Harbor, Section Six**, a subdivision in Montgomery County, Texas, being 35.099 acres of land situated in the Owen Shannon Survey, A-36, Montgomery County, TX and being out of a residual of a certain 662.264 acres of land as described in deed recorded and according to the map or plat thereof recorded in Cabinet **S,** Sheets **106/107**, inclusive, County Clerk's File No. **2002 074309** of the Map Records of Montgomery County, Texas; and

Whereas, it is the desire of Declarant to place certain restrictions, covenants, conditions, stipulations and reservations upon and against such property in order to establish a uniform plan for the development, improvement and sale of such property, and to ensure the preservation of such uniform plan for the benefit of both the present and future owners of Lots in said subdivision:

NOW, THEREFORE, Declarant hereby adopts, establishes and imposes upon Grand Harbor, Section Six, hereinafter referred to as the "Property", which is further identified in the subdivision plat referenced above, and declares the following reservations, easements, restrictions, covenants and conditions applicable thereto, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the land, which reservations, easements, covenants, restrictions and conditions shall run with the land and shall be binding upon all parties having or acquiring any right, title or interest therein, or any part thereof, and shall inure to the benefit of each owner thereof.

ARTICLE I
Definitions

Section 1. "Association" shall mean and refer to Grand Harbor Property Owner's Association.

Section 2. "Property and/or Properties" shall mean and refer to Grand Harbor, Section Six, which is further identified in the aforementioned subdivision plat.

Section 3. "Lot and/or Lots" shall mean and refer to the Lots shown upon the subdivision plat which are restricted hereby to use for single family residential dwellings only.

Section 4. "Grand Harbor waterfronts" shall mean and refer to Block 1, Lots 1 through 57.

Section 5. "Interior Lot" shall mean and refer to Block 2, Lots 1 through 3, to be replated to Grand Harbor Section 6-A, Block 1, Lots 1 through 5.

Section 6. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Lot which is part of the Properties, but in the event of the execution of a contract for sale covering any Lot, the "Owner" shall be the purchaser named in the contract, but excluding those having such interest merely as security for the performance of an obligation and those having only an interest in the mineral estate.

Section 7. "Subdivision Plat" shall mean and refer to the map or plat of Grand Harbor, recorded in Cabinet S, Sheets 106/107, inclusive, County Clerk's File No. 2002074309 of the Map Records of Montgomery County, Texas.

Section 8. "Architectural Control Committee" or "Committee" shall mean and refer to Grand Harbor Architectural Control Committee, provided in Article IV hereof.

Section 9. "Builder-Owner" shall mean and refer to the owner of a Lot who owns such Lot for the sole purpose of development and sale to third parties, and is designated in writing as a Builder-Owner by Declarant.

Section 10. "Lake" shall mean and refer to Lake Conroe.

Section 11. "Member" shall mean and refer to every person or entity who holds a membership in the Association.

Section 12. "River Authority" shall mean and refer to the San Jacinto River Authority ("SJRA").

Section 13. "Board of Directors" or "Board" shall mean the elected body of Grand Harbor Property Owners Association.

Section 14. "Utility Company" shall mean and refer to Entergy/Gulf States Utilities.

Section 15. "Residential Dwelling" shall mean and refer to a single residential dwelling with garage.

Section 16. "Improvement" shall mean and refer to any dwelling, garage, carport, swimming pool, boat slip, wall, fence and any other object placed on, in or under the Properties.

Section 17. "Declarant" shall mean and refer to SJ Development, Inc., d/b/a Grand Harbor, its successors and assigns.

Section 18. "Resident" shall mean and refer to every person or entity occupying a Residential Dwelling within the Properties.

Section 19. "Administrator" shall mean the entity administering the maintenance fund.

Section 20. "Unrestricted Reserve" shall mean and refer to any area designated on the Subdivision Plat as a "Reserve" or "Unrestricted Reserve."

ARTICLE II
Restriction, Exception and Dedications

Section 1. The Subdivision Plat dedicates for use as such, subject to the limitations set forth therein, the private streets and easements shown thereon and such Subdivision Plat further establishes certain restrictions applicable to the Properties including, without limitation, certain minimum setback lines. All dedications, limitations, restrictions, and reservations shown on the Subdivision Plat are incorporated herein and made a part hereof as if fully set forth herein, and shall be construed as being adopted in each and every contract, deed, or conveyance executed or to be executed by or on behalf of Declarant, conveying said property or any part thereof, whether specifically referred to therein or not.

Section 2. Declarant reserves the easements and roadways as shown on the Subdivision Plat for the purpose of constructing, maintaining and repairing a system or systems of electric lighting, electric power, telegraph and telephone line or lines, gas, water lines, sewers, storm sewers, drainage ways, cable television or any other utility Declarant sees fit to install in, across and/or under the Properties.

Section 3. Declarant reserves the right to make changes in and additions to the above easements for the purpose of most efficiently and economically installing the improvements. Should any utility company or cable television company furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document, Declarant, without the joinder of any other Owner, shall have the right to grant such easement on said property without conflicting with the terms hereof.

Section 4. Declarant reserves the right, during installations of paving of the streets as shown on the Subdivision Plat, to enter onto any Lot or Lots for the purpose of disposing of excavation from dredged material from the shoreline of the Properties and street excavation,

including the removal of any trees, as necessary, whether or not the Lot or Lots have been conveyed to and/or contracted for any other Owner or Owners.

Section 5. Neither Declarant nor any utility company or cable television company using the easements herein referred to, shall be liable for any damages done by them or their assigns, their agents, employees or servants to fences, shrubbery, trees, flowers or any other property of the Owner situated on the land covered by said easements.

Section 6. It is expressly agreed and understood that the title conveyed by Declarant to any Lot or parcel of land within the Properties by contract, deed or other conveyance shall be subject to any easement affecting same for roadways or drainage, water, gas, sewer, storm sewer drainage ways, electric light, electric power, cable service, telegraph or telephone purposes and shall convey no interest in any pipes, lines, poles or conduits, or in any utility facility or appurtenances, thereto constructed by or under Declarant or any easement owner, or their agents through, along or upon the premises affected thereby, or any part thereof, to serve said land or any other portion of the Properties, and where not affected, the right to maintain, repair, sell or lease such appurtenances to any municipality, other governmental agency or any public service corporation or any other party, and such right is hereby expressly reserved.

Section 7. Utility Easements.

(a) All Lots are subject to the utility easements reflected on the plat or designated in these Restrictions.

(b) No building shall be located over, under, upon or across any portion of any utility easement; however, the Owner of each Lot shall have the right to construct, keep and maintain drives and similar improvements across the utility easement along the front of the Lot and/or along the side of corner lots adjacent to street right-of-ways and shall be entitled to cross such easements at all times for purposes of gaining access to and from such Lots.

(c) With the prior approval of the Committee, the Owner of each Lot also shall have the right to construct, keep and maintain driveways, walkways, steps, air conditioning units and equipment over, across or upon any utility easement along the side of such Lots (the "Side Lot Utility Easement"), other than along any Side Lot Utility Easement which is adjacent to a street right-of-way and shall be entitled, at all times, to cross, have access to and use the improvements located thereon; however, any such improvements placed upon such Side Lot Utility Easement by the Owner shall be constructed, maintained and used at Owner's risk and the location of such improvements shall not impede the natural flow of water across the Lot. The Owner of each Lot subject to said Side Lot Utility Easements shall be responsible for (i) any and all repairs to the driveways, walkways, steps, air conditioning units and equipment which cross or are located upon such Side Lot Utility Easements and (ii) repairing any damage to said improvements caused by the Utility District, any public utility or cable television company in the course of installing, operating, maintaining, repairing, or removing its facilities located within the Side Lot Utility Easements.

(d) The Owner of each Lot shall indemnify and hold harmless Declarant, the Utility District, public utility companies and cable television company having facilities located over, across or under utility easements from any loss, expense, suit or demand resulting from injuries to persons or damage to property in any way occurring, incident to, arising out of, or in connection with said Owner's installation, maintenance, repair or removal of any permitted improvements located within utility easements, including where such injury or damage is caused or alleged to be caused by the sole negligence of such public utility or its employees, officers, contractors or agents.

(e) In no event shall any Owner construct, maintain or use any of the above described improvements or any other improvements within any utility easements located along the rear of such Owner's Lot.

(f) In addition to the utility easements shown on the recorded Plat, there is hereby dedicated a five foot (5') wide Entergy easement, extending from the surface of the ground downward, and said easement being two and one-half (2 1/2) feet on each side of underground electric service lines as now or hereafter constructed and will extend along the route selected by Entergy from Entergy's distribution facilities to the electric meter when and as located upon Lots and Reserves in the Subdivision. Entergy shall have the right to excavate said Lot easement strip, and to remove objects, structures, growth or protrusions thereon.

Section 8. Road and Street Easements. The roads and streets in the Properties are not dedicated to the public, but shall be operated as private streets with each

Owner having an easement for the use and benefit of such Owner of a Lot fronting thereon or adjacent thereto, with easements shall include rights of ingress, egress and passage over and along said streets in favor of the Declarant, the Association, the Owners and their respective legal representatives, successors and assigns, guests, invitees, licensees, designees and the successor(s)-in-title to each Lot Owner, and in favor of the invitee and designees of each successor(s)-in-title to each Lot Owner, but not in favor of the public.

Subject to the terms and conditions of this Section, the private roads and streets in the Properties as shown on the Plat are hereby dedicated as utility easements strictly for the purpose of constructing, operating, maintaining or repairing a system(s) of electric lighting, electrical power, telegraph and telephone lines, gas lines, sewers, water lines, storm drainage (surface or underground), cable television, or any other utilities that the Declarant sees fit to install (or permit to be installed) in, across and/or under the Property. The dedication of the private roads and streets as utility easements shall not affect operation of the roads and streets in this Property as private roads and streets.

Notwithstanding the operation of the roads and streets in the Property as private streets, Declarant hereby grants to Law Enforcement Agencies and Officers of Montgomery County and the State of Texas, other governmental law enforcement bodies, fire department officials and fire protection personnel, vehicles and equipment, ambulances, school buses, Montgomery County officials and personnel and other governmental officials and personnel, and to the authorized agents of the Association for performance of the Association's duties and obligations and exercise of the Association's rights in respect to the Properties, rights of ingress and egress and passage over and along said private roads and streets of the Properties in connection with the performance of their official functions.

After the Declarant turns the P.O.A. over to the property owners, the P.O.A. may offer the streets for Public Dedication upon the affirmative vote of the owners of a majority of the lots. The city or public entity is not required to accept the streets.

Section 9. Unrestricted Reserve. These restrictions do not apply in any manner to any areas designated on the Subdivision Plat as "Reserve" or "Unrestricted Reserve."

ARTICLE III
Use Restrictions

Section 1. Land Use and Building Type. All Lots shall be known and described as Lots for single family detached residential dwellings only (hereinafter sometimes referred to as "Residential Lots"), and no structure shall be erected, altered, placed or permitted to remain on any Residential Lot other than one (1) single family dwelling with an attached fully enclosed garage for not less than two (2) nor more that four (4) cars. The garage will be available for parking automobiles at all times without any modifications being made to the interior of said garage. Such garage shall be constructed at the same time as the dwelling and act as an integral part of the residential structure, constructed with the same design, color and materials as the residence. Occupancy of the dwelling shall not be authorized until the garage is complete. The residential dwelling shall not exceed a height of thirty-five (35) feet. The height shall be measured from where the highest point on natural grade of the Lot abuts the structure, except where the slab must be elevated above the natural grade to achieve minimum slab elevation as required by the Committee. In this situation, the height shall be measured from the minimum slab elevation established by the Committee.

No garage may open to the rear of a Waterfront Lot unless otherwise approved by the Architectural Control Committee. Garages placed on corner lots may face the side street and shall be located no closer to the side lot line than the minimum side lot building setback line as shown on the Subdivision Plat.

As used herein, the term "Residential Purposes" shall be construed to prohibit the use of said Lots for garage apartments or apartment houses; and no Lot shall be used for business or professional purposes of any kind, nor for any commercial or manufacturing purpose. Each Lot improvement thereon shall be used only as a single family residence. The rental of a dwelling for occupancy as a residence shall not be construed as a business. No building of any kind or character shall be moved onto any Lot within said properties without written permission of the Committee; however, no Residential Dwelling shall be moved onto any Lot within said Properties.

No manufactured homes or mobile homes are allowed on any lots in Grand Harbor Section Six.

Section 2. Carports. Carports are acceptable, however in no case shall they substitute for the two car garage requirements. No carport shall be erected or permitted to remain on any Lot without the expressed prior written approval of the Committee. Approval will be denied unless the carport is an integral part of the residential structure and the carport is constructed with the same design, color and materials as the Residential Dwelling. Only motor vehicles, as identified in Section 22 of this Article, shall be parked or stored in a carport.

Section 3. Architectural Control. No improvement shall be erected, placed or altered on any Lot until the construction plans and specifications and a plot plan showing the location of the improvement thereon have been approved by the Architectural Control Committee with respect to harmony with existing structures, design, color, location with respect to topography and finished grade elevation and compliance with minimum construction standards more fully provided for herein. The Committee is authorized to grant variances if the variance is reasonable and if the structure is not inconsistent with the general scheme and harmony of the development. The builder must be approved in order to ensure that the structure will be built according to the plans and specifications. The Architectural Control Committee reserves the right to approve the builder selected by Lot owner.

Section 4. Dwelling Size. The minimum square footage of the total living area of the main residential structure, exclusive of open porches, garages and/or carports, and servants quarters, shall be as follows:

All Lots - The minimum living area of a one (1) or one and one-half (1 1/2) story residential structure shall be 2,000 square feet. The minimum living area of a two (2) or two and one-half (2 1/2) story residential structure shall be 2,150 square feet with the first story being no less than 1,450 square feet of living area.

Section 5. Type of Construction, Materials and Landscaping.

(a) Residences, garages, and carports shall be of 80 percent masonry construction, or its equivalent on its exterior wall area, (stucco is considered masonry, hardy plank is not) unless approved in writing by the Committee. The Committee has sole discretion as to the percentage calculation of masonry used. Detached garages and carports of interior Lots shall use masonry, equivalent to that on residence, on side facing street but may have wood siding of a type on all remaining sides and design shall be approved by the Committee to be located at the rear of the main residence.

(b) No external roofing material other than wood shingles, wood shake, slate, tile, metal, built up roof, composition (where the type, weight, quality and color has been specifically approved by the Committee) shall be used on any building in any part of the Properties without the written approval of the Committee. All roofing material must be applied in accordance with the manufacturer's specifications. Roof vents, vent stacks, galvanized roof valleys and other roof items must be painted to match the roof materials. Roof items that appear on cedar shingle roofs must be painted in such a manner that the color matches a weathered cedar shingle. Galvanized roof valleys must be primed before being painted to insure the prevention of peeling.

(c) No window or wall type air conditioners shall be permitted to be used, erected, placed or maintained on or in any building in any part of the Properties.

(d) Each kitchen in each dwelling or living quarters situated on any Lot shall be equipped with a garbage disposal unit, which garbage disposal unit shall at all times be kept in a serviceable condition.

(e) Landscape layout and plans shall first be approved by the Committee before work commences.

(f) All roof ventilation (other than ridge ventilators) shall be located to the rear of the roof ridge line and/or gable of any structure and shall not extend above the highest point of such structure, so as not to be visible from any street. The Committee shall have the right to approve the exceptions to the foregoing in cases where energy conservation and heating/cooling efficiency require ventilators that, because of the particular roof design, cannot be hidden from view.

Section 6. Building Location. No main residence, garage or carport nor any part thereof shall be located on any Lot nearer to the front or rear Lot line or nearer to the side street Lot line than the minimum building lines as shown on the Subdivision Plat. However, at such times as plans are submitted to the Committee by any owner for approval, the Committee may require that the residence, garage or carport be located at a greater distance from the Lot lines than the building line shown on the recorded plat. The Committee has sole approval of the front, back and side building lines. Since the lots are large the committee will establish a location on the front and back building lines so that there will be a consistency on house locations. No main residence, garage or carport or any other out building or any part thereof shall be located nearer than 5 feet to any interior side Lot line. A satellite dish is not considered a structure (see Section 23 of this Article for satellite dish location). Said out building or structure shall contain no more than four hundred (400) square feet and be no less than sixty-five percent (65%) open in its total wall surfaces unless otherwise approved by the Committee. All materials used in constructing any out building or other such structure shall be in harmony with the main residence. For the purpose of this covenant, eaves, steps and open porches shall not be considered as part of the building on any Lot to encroach upon another Lot, except that any Owner of one or more adjoining Lots may, with the written permission of the Committee, merge such Lots into one building site with the privilege of placing or constructing improvements on such resulting site, in which case side setback lines shall be measured from the resulting side property lines rather than the Lot lines as indicated on the recorded plat and such composite building site shall thereupon be regarded as a "Lot" for the purposes of this Article III, Section 6 only.

Upon written request, the Committee may approve deviations from the single family detached building location requirements provided such deviations do not alter the scope and intent of the restrictions.

Section 7. Slab Requirements. All building foundations shall consist of a concrete slab, unless the Committee approves a different type of foundation when circumstances, such as topography of the Lot, make it impractical to use a concrete slab of all or any portion of the foundation of the building improvements constructed on the Lot. The finished slab elevation for all structures on waterfront Lots shall be above 207 elevation as established by the San Jacinto River Authority. The finished slab elevation for all other structures shall be above the 100 year flood plain as established by Commissioner's Court of Montgomery County, Texas, the Montgomery County Engineers Office, and other applicable governmental authorities. All residential foundations/slabs for all Lots in the subdivision must be a minimum of eight inches above finished grade of the Lot at the foundation perimeter. The Committee does not determine whether the structural integrity of the slab is adequate. A structural engineer should be consulted on these matters. The slab shall have an engineer's seal with the engineer's original signature attached prior to approval by the Committee. Sufficient soil investigation should be obtained for proper slab design. The Committee may make deviations in the above foundation requirements provided such deviations do not alter the scope and intent of the restrictions.

Section 8. Special Restrictions For Interior Lots. These Lots may have a detachable garage (for not less than two (2) nor more than four (4) cars).

Section 9. Annoyance or Nuisances. No noxious or offensive activity shall be carried on upon any Lot nor shall anything be done thereon which may become an annoyance or nuisance to the neighborhood. No exterior speaker, horn, whistle, bell or other sound device, except security and fire devices used exclusively for security and fire purposes, shall be located, used or placed on a Lot. Activities especially prohibited, including but not limited to the following, are:

a) The performance of work on automobiles or other vehicles upon the Lot or in driveways or streets abutting Lots except as permitted in Section 22 of this Article.
b) The use of discharge of firearms, firecrackers or other fireworks within the Properties.
c) Storage of flammable liquids in excess of ten (10) gallons.
d) Activities which may be offensive by reason of odor, fumes, dust, smoke, vision, vibration or pollution which are hazardous by reason of excessive danger, fire or explosive.

Section 10. Temporary Structure. No structure of a temporary character, whether trailer, basement, tent, shack, garage, barn or other outbuilding shall be maintained or used on any Lot at any time as a residence, or for any other purpose, either temporarily or permanently; provided, however, that Declarant reserves the exclusive right to erect, place and maintain such facilities in or upon any portion of the Properties as in its sole discretion which

may be necessary or convenient while selling Lots, selling or constructing residences and constructing other improvements upon the Properties. Such facilities may include but not necessarily be limited to sales and construction offices, storage areas, and signs. Portable toilet facilities shall be placed at the construction site of all Residential Dwellings. Upon approval of the Committee, a contractor building a Residential Dwelling on a Lot for the Owner of such Lot may place a temporary construction office on the Lot. No garage, servant's quarters or other permitted accessory structure shall be erected, placed or maintained on any Lot until construction of the main residential dwelling has commenced. Any structure on which construction has commenced must be completed within a reasonable length of time not to exceed 180 days.

Section 11. Signs and Billboards. No signs, billboards, posters, or advertising devices of any character shall be erected, permitted or maintained on any Lot or plot without the express prior written consent of the Association. All signs, billboards, posters and other advertising devices shall conform to the Committee's predetermined sign policy. The Association, Declarant or their agents shall have the right to remove any sign not complying with the above referenced policy and in so doing, shall not be liable and are expressly relieved from any liability for trespass of other tort in connection therewith or rising from such removal. The right is reserved by Declarant and its designated agent to construct and maintain such signs, billboards or advertising devices as is customary in connection with the general sale of property.

Section 12. Oil and Mining Operations. No water drilling, oil drilling or development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot. No derrick or other structure designed for use in boring for water, oil or natural gas shall be erected, maintained or permitted upon any Lot.

Section 13. Storage and Disposal of Garbage and Refuse. No Lot shall be used or maintained as dumping ground for rubbish. Trash, garbage or other waste materials shall not be kept except in sanitary containers constructed of metal, plastic or masonry materials with sanitary covers or lids. Equipment for the storage or disposal of such waste materials shall be kept in clean and sanitary condition. No Lot shall be used for the open storage of any materials whatsoever, which storage is visible from the street, except that new building materials used in the construction of improvements erected upon any Lot may be placed upon such Lot at the time construction commences and may be maintained thereon for a reasonable time, so long as the construction progresses without undue delay, until the completion of the improvements, after which these materials shall either be removed from the Lot or stored in a suitable enclosure on the Lot.

Section 14. Electric Distribution System. The type of electric service supplied to Owners will be alternating current at approximately 60 cycles per second, single phase, three wire, 120/240 volts and metered at 240 volts. It is understood and agreed that only electrical service of the characteristics described above, will be furnished by Entergy/Gulf States Utilities Company in Grand Harbor, and that such service will be from the electric distribution system to be installed by Entergy/Gulf States Utilities Company, and Owners agree that only electric service at 120/240 volts, single phase, three wires, will be available for Lots. The locked rotor current of any motor connected to this service will be limited in accordance with the standard service practices of Entergy/Gulf States Utilities Company. The utility easement areas dedicated and shown on the records map of Grand Harbor, may be cleared and kept clear by any utility of all trees, bushes and other growth, including overhanging branches from trees or protrusions from structures located upon adjacent property, without payment to Owners by such utility for such clearance, cutting or trimming. The provisions of this paragraph shall constitute a covenant running with the land as to each Lot and Owner in the Properties.

Declarant does hereby require that individual underground electrical service drops be installed to each residence. The Owners of each residence will therefore comply with Entergy/Gulf States Utilities Company's policy regarding such underground service installations, and the Owners do hereby agree to pay any charges which might be incurred for the installations of the underground service as set forth in the Company policy. Entergy/Gulf States Utilities Company's policy is subject to change from time to time without notice. The Owners shall ascertain that location of said service drops and keep the area over the route of said service drops free of excavations and clear of structures, trees and other obstructions; and Entergy/Gulf States Utilities Company may install, maintain, repair, replace and remove said underground service drops, and open the ground for any such purpose or purposes; and no payment will be due or made by any utility for such use or activity.

Declarant hereby reserves the right to grant upon, across and over each Lot an easement and license along the perimeter boundaries of each Lot to the width of five feet measured from each boundary of each Lot, protruding from each boundary into the interior portion of each Lot, for the purpose of erection, construction, maintenance, repairs and the continuous placement of an electrical lighting system throughout the Property. This reserved right is expressly reserved on behalf of and for the benefit of Declarant and any public utility company, including but not limited to Entergy/Gulf State Utilities Company. This reserved right includes expressed right of Declarant and each public utility company to clear, grade and remove such obstructions including, but not limited to, trees, brush and other landscaping that the Declarant or the public utility company deems necessary in order to effectuate the construction, erection, maintenance and continuous placement of the electrical lighting system hereby contemplated. Declarant further reserves hereby, unto itself and to any such public utility company, the expressed right to enter upon any Lot for the purpose of construction, installation, maintenance, repair and continuous placement of the electrical lighting contemplated hereunder and to remove any obstruction as might exist within this designated area, and such shall not be deemed to be trespass in any respect to the rights of the Owner of the Lot. Each Owner, by acceptance of a Deed to a Lot in these Properties, does acknowledge the existence of this reserved right and the rights hereunder created, such right being for the expressed benefit of each other Lot in the Properties. Neither Declarant nor any public utility company acting under the easement license or rights referred to herein shall be liable for any damages done by themselves or their assigns, agents, employees or servants to any fences, shrubbery, trees, flowers or any other property of the Lot Owner situated on the property by this easement and license.

Section 15. Views to and from Lake Conroe. Views to and from Lake Conroe are encouraged so that each view can become a positive addition to the environment of the Properties. Except for approved trees, no view obstructing plant material greater than two (2) feet in height shall be permitted on any Waterfront Lot beyond the rear building line without written approval from the Architectural Control Board. Any plant above two (2) feet in height must be removed by property owner, unless approved in writing by the Committee. It is not the intent of these restrictions to remove any existing trees from the Property. The removal of existing trees from Lots must be approved by the Committee.

Section 16. Walls, Fences and Hedges. All walls, fences and hedges must be approved by the Committee. Except as otherwise provided herein, no walls or fences shall be erected or maintained nearer to the front of any Lot than the front of the Residential Dwelling constructed on the Lot, or, on corner lots, nearer the side lot line than the side lot building line parallel to the side street as shown on the recorded Plat. Except as otherwise provided herein, all fences on any waterfront Lot must be of ornamental iron construction unless otherwise approved by the Committee and not exceed four (4) feet in height. All walls and fences of interior Lots may be of ornamental iron, masonry or wood construction as approved by the Committee with a height of six (6) feet. (The Declarant may construct fencing ten (10) feet tall at entrances to the Properties.) Unless otherwise approved by the Committee, all ornamental iron fences shall be black in color and of a design that conforms to the Committee's pre-determined plan for such improvements. No chain link fences shall be erected, placed or permitted to remain on any residential Lot. All wooden fences shall be constructed of material to be approved by the Committee. Where approved herein, all wooden fences exposed to view from the street adjacent to the Lot shall be built so the finished side faces said street. No fence shall be installed which will impede the natural flow of water across the Lot. Unless otherwise approved by the Committee, pilasters which are in harmony with the main residential structure shall be used in conjunction with ornamental iron fences. A small patio which is an integral part of the dwelling may be enclosed with a fence or wall. Ownership of any wall, fence or hedge erected as a protective screening on a Lot shall pass with title to the Lot, and it shall be the Owners responsibility to maintain said protective screening thereafter. In the event of default on the part of the Owner or occupant of any Lot to maintain said protective screening and such failure continuing after ten days written notice thereof, the Association, at its option, without liability to the Owner or occupant in trespass or otherwise, may, in its discretion, enter upon said Lot and cause said protective screening to be repaired or maintained or do any other thing necessary to secure compliance with these restrictions, so as to place said protective screening in a satisfactory condition and may charge the Owner or occupant of such Lot for the cost of such work. The Owner or occupant, as the case may be, agrees by the purchase or occupancy of the Lot to pay such statement immediately upon receipt thereof, and all such payments by the Association, shall, likewise, be secured by a Vendor's Lien for the benefit of the Association in the same manner as the maintenance charges payable in accordance with Article VI, Section 4 herein. Plans and specifications shall be submitted to the Committee as in the case with other structures.

Section 17. Mailboxes. The Declarant or the Committee, will designate the exclusive design, motif and materials for mailboxes within the Properties. All mailboxes must conform to the design, any deviations must be approved in writing or be removed.

Section 18. Utilities. Improvements situated on a Lot shall be connected to the water as soon as practical after same are available at the property line. No privy, cesspool or septic tank shall be placed or maintained upon or in any Lot. Each lot will be required to have an aerobic wastewater system. The installation and use of any propane, butane, LP gas or other gas tank, bottle or cylinder of any type (excluding those normally associated with outdoor barbecue grills) shall require the prior written approval of the Committee and shall be screened from public view. All telephone, electric, cable or other service lines shall be installed underground. When natural gas is made available to Lot owners, the Lot Owner must immediately discontinue use of propane, butane, L.P. gas or other type of hydrocarbon fuel being used at the time and convert to the natural gas line. Each Lot Owner, upon completion of his house, shall utilize both gas water heating and gas central comfort heating appliances. If the Lot owner fails to do so, such Lot owner must pay to Reliant Energy Entex the sum of $300.00 which sum shall be payable thirty (30) days following completion of the non-utilizing house. Declarant may take such legal steps as may be necessary to enforce payment.

Section 19. Views, Obstructions and Privacy. In order to promote the aesthetic quality of "views" within Grand Harbor and particularly the views of Lake Conroe, the Committee shall have the right to review and approve any item placed on a Lot including, but not limited to the following:

a) The location of all windows and the type of proposed window treatments and exposed window coverings, including window and reflective film.
b) The probable view from second story windows and balconies and decks (particularly where there is a potential invasion of privacy to an adjoining neighbor).
c) Sunlight obstructions.
d) Roof top solar collectors.
e) Flagpoles, flags, pennants, ribbons, streamers, wind sock and weather vanes.
f) Exterior storage sheds.
g) Fire and burglar alarms which emit lights or sounds.
h) Children's playground and recreational equipment.
i) Exterior lights.
j) Ornamental statuary, sculpture and/or yard art visible from a street or common area excluding those which may be part of an otherwise approved landscape plan.
k) The location of the Residential Dwellings on the Lot.

Prohibited items. The following items are prohibited from appearing within the properties:

(a) Clotheslines, reels, hanging circles and other exterior clothes drying devices.
(b) Above ground swimming pools.
(c) Window unit air conditioners.
(d) Signs (except for certain approved "For Sale" and "For Lease" signs).
(e) Storage of more that ten (10) gallons of fuel outside of regular vehicle gas tanks.
(f) Unregistered or inoperable motor vehicles.

Section 20. Lot/Yard Maintenance. The front and rear yard of all Waterfront Lots, the front and side yard of all corner lots, and the front yard of all other lots shall be landscaped. Such landscaping shall be in accordance with the Committee's Standards. The Committee's decision shall be final. Unless otherwise provided for herein, such landscaping is to be completed within three months of the date of occupancy of the dwelling. The Owners or occupants of all Lots shall at all times keep all weeds and grass thereon cut in a sanitary, healthful and attractive manner and shall in no event use any Lot for storage of materials and equipment except for normal residential requirements or incident to construction of improvements thereon as herein permitted or permit the accumulation of garbage, trash or rubbish of any kind thereon and shall not burn anything. The Owners or occupants of any Lots at the intersection of streets or adjacent to the Lake, parks, playgrounds or other facilities where the rear yard or portion of the Lot is visible to full public view shall construct and maintain suitable enclosure to screen the following from public view; yard equipment, wood piles or storage piles which are incident to the normal residential requirements of a typical family. In the event of default on the part of the Owner or occupant of any Lot in observing the above requirements or any of them, such default continuing after ten (10) days written notice thereof, the Association or their assigns may, at their option, without liability to the Owner or occupant in trespass or otherwise, enter upon said Lot and cause to be cut such weeds and grass and remove or cause to be removed such garbage, trash and rubbish or do any other thing necessary to secure compliance with these restrictions so as to place said Lot in a neat,

attractive, healthful and sanitary condition and may charge the owner or occupant of such Lot for the cost of such work. The Owner or occupant, as the case may be, agrees by the purchase or occupancy of the property to pay such statement immediately upon receipt thereof, and all such payments by the Association in the same manner as the Maintenance Charges payable in accordance with Article VI herein.

The digging of dirt or the removal of any dirt from any Lot is expressly prohibited except as may be necessary in conjunction with the landscaping of or construction on such Lot. Unless otherwise approved by the Committee, no trees shall be cut or removed except to provide room for construction of improvements, to present a hazard to the structural integrity of the slab or to remove dead or unsightly trees.

During the construction of a residence, the Owner is required to remove and haul all trees, stumps, limbs, branches, etc. from the Properties except that the Declarant during construction of the water, sewer and drainage facilities as well as paving may burn and dispose of in other methods, trees, stumps, underbrush and other trash cleared during the construction process and the Declarant may act in accordance with Article II, Section 4 of this Declaration.

No Owner or contractor may enter upon his lot without the installation of culverts and slopes. Culverts and slopes for the driveway must be installed to proper grade height. Driving through the ditch to gain access to the Lot is prohibited.

No Owner or contractor may enter upon the Lot adjacent to the one on which he is building for the purposes of ingress or egress to his Lot during or after construction unless such adjacent Lot is also owned by such Owner or such Owner has written approval from the adjacent Lot Owner. Such approval must be furnished to the Committee. All such adjacent Lots shall be kept free of any trees, underbrush, trash, rubbish and/or any other building debris or debris after construction of improvements.

Section 21. Motor Vehicles. No unlicensed motor vehicles shall be allowed within the subdivision. No motor bikes, motor cycles, motor scooters, "go-carts", or other similar vehicles shall be permitted to be operated on the Properties, if, in the sole judgment of the Association, such operation, for reason of noise or fumes emitted, or by reason of manner of use, shall constitute a nuisance or jeopardize the safety of the Owners, his tenants and their families.

Section 22. Storage and Repair of Automobiles, Boats, Trailers and other Vehicles. No motor vehicle shall be parked or stored on any part of any Lot, easement, right-of-way, or any other area unless such vehicle is concealed from public view inside a garage or other approved enclosure, except passenger automobiles, passenger vans or pickup trucks that: are in operating conditions; have current license plates and inspection sticker; and are in daily use as motor vehicles on the streets and highways of the State of Texas; and which do not exceed six (6) feet, six (6) inches in height or seven (7) feet, seven (7) inches in width or twenty-one (21) feet in length, may be parked in the driveway on such Lot. No non-motorized vehicle, trailer, boat, marine craft, hover craft, aircraft, machinery or equipment of any kind may be parked or stored on any part of any Lot, easement, right-of-way or any other area unless such object is concealed from public view inside the garage or other approved enclosure. The term "approved enclosure" shall mean an enclosure that has been previously approved by the Committee. No repair work, dismantling or assembling of motor vehicles or other machinery or equipment shall be done or permitted on any street, driveway, or any portion of the Properties. If a complaint is received about a violation of any part of this section, the Association will be the final authority on the matter. This restriction shall not apply to any vehicle, machinery, or maintenance equipment temporarily parked and in use for the construction, repair or maintenance of the subdivision facilities or of a house or of any other structure. No Owner of any Lot or visitor or guest of any Owner, occupant or resident shall be permitted to perform work on automobiles or other vehicles in driveways or streets other than work of a temporary nature. Owners, visitors and guests are encouraged not to park vehicles in the streets of the subdivision.

Section 23. Antennas and Satellite Dishes. No electronic antenna or device for receiving or transmitting any signal of any type other than an antenna for receiving normal marine signals from a water craft located on Lake Conroe shall be erected, constructed, placed or permitted to remain on any Lot, house, garage or other buildings unless otherwise approved by the Committee. All marine radio antennas must be attached to the main residential structure. Only one antenna per Lot shall be permitted. In all cases, no antenna shall be erected as a free standing or guide structure. No antenna of any style shall be permitted on the Lot which extends more than ten (10) feet above the roof of the main residential structure on said Lot. The Committee may allow the installation of satellite dishes if in the sole opinion of

the Committee the location of said dish does not unnecessarily affect the views or aesthetics within the subdivision. The Committee's decision shall be final. Unless otherwise approved by the Committee, no satellite dish may be maintained on any portion of any Lot outside the building lines of said Lot or forward of the front of the improvements thereon. A satellite dish may not exceed eighteen (18) inches in diameter and must be mounted as to not be visible from the street. All dishes shall be of one solid color of black or earth tones of brown, gray or tan. The expanded metal type dish is recommended. No multicolored dishes shall be permitted. No advertising or the printing of names of any type shall be permitted. No more than one satellite dish shall be permitted on each Lot. No transmitting device of any type which could cause electrical or electronic interference in the neighborhood shall be permitted. Architectural approval is required prior to the installation of any satellite dish. The Association reserves the right to seek the removal of any that were installed without first obtaining approval or any dish that violates these restrictions.

Section 24. Solar Panels. All solar panels installed shall be framed in such a manner so the structural members are not visible. The framing material shall be one that is in harmony with the rest of the structure. Architectural approval is required prior to the installation of any solar panels. The Association reserves the right to seek the removal of any solar panel that was installed without first obtaining approval or any solar panel that violates these restrictions.

Section 25. Pets. No horses, cows, hogs, poultry, or livestock of any kind (other than house pets of reasonable kind and number) may be kept on any Lot. Should such pets become a nuisance in the opinion of the Association, they must be removed from the premises and the Properties. No pets are to run at large. All pets must be on a leash.

Section 26. Drainage. Each owner of a Lot agrees that he will not in any way interfere with the established drainage pattern over his Lot from adjoining Lots or other Lots in the Properties. Any changes necessary in the established drainage pattern must be included on the Owners plans and specifications when submitted to the Committee. Such drainage plans shall be subject to the Committee's approval. Each Owner agrees that he will take all necessary steps to provide for additional drainage of his Lot in the event it becomes necessary. Established drainage shall be defined as drainage that exists at the time the Declarant completes all grading and landscaping within the Properties. If an Owner wishes to change the established drainage and is not at that time constructing a home, a drainage plan must be provided to the Committee for approval. No pockets or low areas may be left on the Lot where water will stand following a rain or during normal yard watering. With the approval of the Committee, an Owner may establish an alternate drainage plan for low areas by installing underground pipe and area inlets or other such methods as approved by the Committee.

Section 27. Concrete Curb/Driveway Maintenance. The Owner or occupant shall at all times keep his entrance lip, culvert, driveway curb, curb ties, and curb along the street adjacent to his property in a good state of repair and attractive in appearance. In the event of any default by the Owner or other occupant of a Lot in observing the above requirements, which default is continuing after thirty days' written notice thereof to the Owner or occupant as applicable, the Association or their designated agents may at their option, without liability to the Owner or occupant in trespass or otherwise enter upon said Lot and make such repairs as deemed necessary by the Declarant or the Association to ensure compliance with this declaration, so as to place such driveway entrance and street curb in a good state of repair and attractive appearance and may charge the Owner or occupant of such Lot for the cost of such work. Such charge, together with interest thereon at the highest rate permitted by applicable laws from the date due until paid and all costs of collection, including reasonable attorney's fees, shall be secured by a Vendor's Lien for the benefit of the Declarant or The Association, whichever the case may be, which is hereby retained against each Lot In Grand Harbor, which lien shall only be extinguished by payment of such sum. Said lien shall be deemed subordinate to the lien or liens of any bank, insurance company or other institutional lender, which hereinafter lends money for the construction (including improvements) and/or permanent financing of improvements on such property, provided, however, that said lien shall remain in full force and effect until paid or released by The Association through appropriate proceedings at law.

All culvert sizes and elevations must be approved by the Grand Harbor Property Owner's Association and any other governmental agencies having jurisdiction.

Section 28. Driveways. Driveways may be built of brick, stone, concrete, or other materials approved by the Committee. All concrete driveways shall be constructed with quality grade concrete, four and one-half (4 1/2) sack cement per cubic yard and be reinforced with a minimum of #6, 6"x6" welded wire mesh, or one and one-half (1 1/2) Type "D" modified asphalt

with six (6) inch compacted limestone (or approved equal) base material. Driveways width shall be a minimum of ten (10) feet. If more than one driveway is constructed on a common Property, such driveways shall be separated by a minimum distance of at least twenty (20) feet. Driveways shall be constructed so as to prevent normal street flooding from entering upon the adjoining Property accessed by the driveway. The Committee shall have the right to approve the location of the driveway on the Lot. No driveway shall be located on side building lines without written approval from the Architectural Control Committee.

An expansion joint shall be installed at the property line and at the connection where the driveway meets street.

Section 29. Walkways/Sidewalks. No sidewalks shall be required.

Section 30. Swimming Pools. No swimming pool may be constructed on any Lot without the prior written consent of the Committee. Two sets of plans and specifications for the proposed pool shall be submitted to the Committee including a plot plan showing the location and dimensions of the pool and related improvements together with the plumbing and excavation disposal plan. No pool shall be constructed on Waterfront Lots nearer than fifteen (15) feet of the bulkhead constructed by the Declarant except as may be approved by the Committee. Swimming pool drains shall be piped into the Lake, storm sewer, or the street in front of the Lot. In no case shall the street curb be broken or cut to facilitate a pool drain without the prior written approval of the Committee. Excavation required for swimming pools shall be hauled from the site to a place outside of Grand Harbor.

Section 31. Docks and Boat Slips. No dock, boat slip or other structure may be installed or constructed without approval of the Committee. Such structure must conform to the Committee's predetermined plan. No "homemade" type dock, boat slip, boat cover or bulkheading will be allowed. Request to construct any such structure shall be in writing to the Committee and must be accompanied with complete plans and specifications. The Committee shall act upon such request as with other structures.

Ownership of any dock, boat slip, boat cover or bulkheading installed on a Lot (including but not limited to bulkheading installed by the Declarant) shall pass with title to the Lot, and it shall be the owners responsibility to maintain such dock, boat slip, boat cover and bulkheading thereafter. In the event of default on the part of the Owner or occupant of any Lot in maintaining said items and such failure continuing after ten (10) days written notice thereof, the Association, at its option, without liability to the Owner or occupant in trespass or otherwise, may, in its discretion, enter upon said Lot and cause said items to be repaired or maintained or do any other thing necessary to secure compliance with these Restrictions so as to place said item in a satisfactory condition and may charge the Owner or occupant of such Lot for the cost of such work. The Owner or occupant, as the case may be, agrees by the purchase or occupancy of the property to pay such statement immediately upon receipt thereof and all such payments by the Association shall, likewise, be secured by a Vendor's Lien for the benefit of the Association in the same manner as the maintenance charges payable in accordance with Article VI herein.

In addition to being approved by the Committee, all plans for all docks and boat slips must be approved in writing by the San Jacinto River Authority and all other governmental agencies having jurisdiction.

ARTICLE IV
Architectural Control Committee

Section 1. Approval of Improvement Plan. No improvement shall be erected, placed or altered on any Lot until the construction plans and specifications and a plot plan showing the location of the improvement have been approved in writing as to harmony of exterior design and color with existing structures, as to location with respect to topography and finished ground elevation, and as to compliance with minimum construction standards by Grand Harbor Architectural Control Committee. A copy of the construction plans, specifications, plot plan, and slab design having an engineer's seal with the engineer's original signature, together with such information as may be deemed pertinent, shall be submitted to the Committee or its designated representative prior to commencement of construction. Failure on the part of the Committee to act within sixty (60) days following date of submission of the required plan and specification shall constitute approval. The Committee may charge a reasonable fee to cover the administrative expense of its review and comment, such fee to be payable to GRAND HARBOR Architectural Control Committee. A form survey prepared by a registered surveyor in

the State of Texas shall be submitted to the Committee prior to pouring the foundation of any building or other Improvement that is to be erected, placed or altered on any Lot.

Section 2. Committee Membership. The Declarant, in its sole discretion, shall appoint the members of the Committee which will consist of three (3) members, none of whom shall be required to be residents of Grand Harbor. The Committee shall and will act independently of Grand Harbor Property Owner's Association.

Section 3. Replacement. In the event of death or resignation of any member or members of said Committee, the Declarant shall appoint a successor member or members, and until such successor member or members shall have been so appointed, the remaining member or members shall have full authority to approve or disapprove plans, specifications and plot plans submitted or to designate a representative with like authority. In the event the Declarant fails to appoint successor members, the Association shall make such appointments.

Section 4. Minimum Construction Standards. The Committee may from time to time promulgate an outline of minimum acceptable construction standards; provided, however, that such outline will serve as a minimum guidelines and may be amended from time to time.

Section 5. Disclaimer. No approval of plans and specifications and no publication or designation or architectural standards shall ever be construed as representing or implying that such plans specifications or standards will result in a properly designed structure or satisfy any legal requirements.

Section 6. Non-Liability for Committee Action. No member of the Committee, the Association Board of Directors, their successors or assigns, or the Declarant shall be liable for any loss, damage or injury arising out of or in any way connected with the performance of the duties of the Committee unless due to the willful misconduct or bad faith of the party to be held liable. In reviewing any matter, the Committee shall not be responsible for reviewing, nor shall its approval of any improvement or modification to any improvement on a Lot be deemed approval of the improvement or modification of improvement from the standpoint of safety, whether structural or otherwise, or conformance of building codes or other governmental laws or regulations.

ARTICLE V
GRAND HARBOR
Property Owner's Association

Section 1. Membership. The Declarant shall cause a Property Owner's Association to be organized and formed as a non-profit corporation under the laws of the State of Texas. The purpose of the Association in general shall be to provide for and promote the health, safety, and welfare of the members, to collect the maintenance charges, to administer the maintenance fund, to provide for the maintenance, repair, preservation, upkeep and protection of the common properties and facilities of the subdivision and such other purposes as are stated in the Articles of Incorporation and consistent with the provisions of the restrictions and all supplemental or amended restrictions.

The Property Owner's Association shall consist of all of the Owners of Lots in Grand Harbor including any other sections which subsequently may be developed on this tract or adjacent land. The name of the Association shall be Grand Harbor Property Owner's Association. Each Lot owner from all sections shall be a member of such Association and entitled to one (1) vote for each Lot owned. The Association shall be governed by a Board of Directors, and the Declarant shall name and select the initial members of the Board of Directors. The initial Board of Directors shall serve for a term of ten (10) years or until all the Developers properties have been sold whichever occurs first or at the Developers sole option.

Such Association may adopt such By-laws, Rules and Regulations as it deems appropriate consistent with these restrictions.

The Declarant shall be a member of the Association if it owns legal title to any Lot in the subdivision which has not been conveyed to a third party by Contract of Sale or Deed.

ARTICLE VI
Maintenance Charges

Section 1. GRAND HARBOR Use of Initiation Fee and Use of Maintenance Fund. Each Lot shall be subject to a one time initiation fee and an annual maintenance charge to be used for the purpose of maintaining all common areas, maintenance and installation of streets, paths, parks, pathway esplanades, electronic gates, brick walls, fences, vacant lots, lighting, fogging, employing policemen and workmen, paying ad valorem taxes on all common areas, cost of administration of the fund and other purposes necessary or desirable in the opinion of the Administrator of such fund to maintain or improve the property of which it considers to be a general benefit to the Owners or occupants of the Property covered by these restrictions. Such funds may also be used for the purpose of enforcement of all covenants and restrictions of this section or subsequent sections of Grand Harbor. The amount of the maintenance charge shall be set by the Administrator of the fund from time to time subject to the limitations contained herein.

Declarant shall collect and maintain control over the maintenance fund and administer same until all of the Lots in Grand Harbor are sold by Deed or Contract or until December 31, 2010, which ever comes first, or at any earlier time if Declarant so elects. At that time, the administration of such fund shall be transferred to the Association. After transfer, no association, group, corporation, individual or entity other than the Association formed pursuant to these restrictions shall be authorized to collect and administer the maintenance fund.

The maintenance charge shall be paid annually in advance by January 31st of each year. The maintenance charge will not accrue against any Lot in which the legal and/or equitable title is vested in Declarant, notwithstanding that a Lot may have been previously sold by a Deed or Contract and title thereto reverted back to Declarant. During the time that such fund is administered by the Declarant, the charge may be increased but no more than once each twelve months and no increase shall be more than twenty (20%) percent of the existing charge. However, after the Association assumes administration of responsibilities, the Association may adjust such rates pursuant to the rules and regulations of the Association. The annual assessment per Lot may be increased by the Association when it assumes administration of the fund in accordance with its by-laws. Interest on past due charges shall accrue at the highest rate allowable by law from date of delinquency. The payment of such maintenance fund shall be secured by a Vendor's Lien to insure payment of such maintenance charge in accordance with the provisions of law. In the event it becomes necessary to employ legal counsel to collect past due maintenance charges, such delinquent Lot owners shall be responsible for reasonable attorney's fees and other reasonable costs incurred in such collection efforts including all costs of Court in any legal proceeding. No owner may waive or otherwise escape liability for the maintenance charge provided for herein by non-use of the Common Area or abandonment of his Lot. If one owner owns 2 lots, he will only be required to pay one maintenance fee. However, if one owner owns more than 2 lots, he will be required to pay the maintenance fee on any additional lots.

The Administrator of the Maintenance Fund shall have the sole discretion as to how such money shall be used to comply with the provisions of this Article. During all times that Declarant is the Administrator of such funds, it shall maintain the proceeds in an account separate and apart from all other accounts of Declarant and shall keep accurate records of all receipts and disbursements. In the event Declarant is compelled to advance its own funds to defray expenses of maintenance of the facilities and properties to be maintained by the fund, Declarant shall be entitled to repayment at such time as the Maintenance Fund has the ability to pay.

Section 2. Enforcement of Maintenance Fee Collection. Each such assessment not paid when due shall incur a late fee of Seventy-Five ($75.00) Dollars or thirty percent (30%) of the amount due, whichever is greater. Each such assessment and late fee, if not paid when due, will be charged interest at the highest legal rate as permitted by Texas law together with the costs of collection, including reasonable attorneys fees, shall be the personal obligation of the Owner against whom they were assessed and shall be secured by a lien as provided herein. To secure the payment of the maintenance fund established hereby and to be levied on individual Lots, there shall be reserved in each Deed (whether specifically stated therein or not) by which the Declarant shall convey such Lots, a Vendor's Lien for the benefit of the Administrator of the fund, whether Declarant or Association. Said lien is to be enforceable through appropriate proceedings at law by such beneficiary; provided, however, that each such lien shall be secondary, subordinate, and inferior to all liens, present and future, given, granted and created by or at the instance and request of the Owner of any such Lot to secure the payment of monies advanced or to be advanced on account of the construction or

improvements on any such Lot to the extent of any such maintenance fund charge accrued and unpaid prior to foreclosure of any such construction lien.

Section 3. Term of Maintenance Fees. The above maintenance charges and assessment will remain effective for the full term (and extended term, if applicable) of the within Covenants.

Section 4. Collection after Default by Purchaser. It is specifically stated and agreed that any Lot sold to persons or entities by the Declarant by contract for sale of land, or deed with lien and note, or other instrument and the purchaser defaults in the contract or note payments in any manner and said Lot is repossessed, foreclosed or such contract canceled by Declarant, its successors or assigns, the Association will release its right to collect the past due maintenance charges, assessments and penalties on such Lots from the Declarant. Nothing herein contained shall relieve the purchaser in default from whom the Lot was repossessed from his personal obligation to pay such delinquent charges, assessments and penalties to the Association.

Section 5. Transfer Fee. A Transfer Fee of $300.00 will be paid to the Property Owners Association each time record title is changed. This fee shall be used to cover administrative expenses incurred due to changes. The Board may adjust this fee as necessary.

ARTICLE VII
Entry Gate

Section 1. Location. Each entranceway to the subdivision may have gates installed by Declarant. These gates may be electronically operated and control access to the subdivision.

Section 2. Control. The Declarant, its agents, employees, customers and invitees, shall always have unimpeded access through such gate and entryway to conduct the business affairs of Declarant. The right of control of access through such entryway and gate by owners, their guests and invitees, shall be upon such terms as determined by the Property Owners Association.

Section 3. Maintenance. Maintenance of the gate and entryway shall be an expense to be paid from the maintenance fund.

ARTICLE VIII
Water

Section 1 Service and Terms. Water service will be provided to the owners of the lots by a central water system. Each property owner shall be subject to the bylaws, applicable state and federal laws, and other rules and regulations adopted from time to time by the board of directors.

Section 2. Aerobic System. No aerobic system shall be installed on any Lot until the construction plans and specifications and plot plan showing the location of the system has been approved in writing by the Architectural Control Committee. No septic tanks or cesspools will be permitted in any section of the subdivision.

ARTICLE IX
General Provisions

Section 1. Term. These Covenants and Restrictions shall run with the land and shall be binding upon all parties and all persons claiming under them for a period of forty (40) years from the date these Covenants are recorded after which time said Covenants shall be automatically extended for successive period of ten (10) years each, unless at the end of the 40 years, or anytime thereafter an instrument signed by majority of the then Owners of the Lots has been recorded agreeing to change or terminate said Covenants herein. It shall be lawful for the Association, the Architectural Control Committee or any Lot owner to prosecute the proceedings at law or in equity against the person or persons violating or attempting to violate any such Covenants and either to prevent him or them from doing so or to recover damages or other dues for such violations. The Declarant reserves the right to enforce these restrictions.

Section 2. Severability. Invalidation of any one of these Covenants by judgment or further court order shall in no way affect any of the other provisions.

Section 3. Merger and Subdivision of Lots.

(a) Upon application in writing by an Owner or Owners of adjoining Lots or Lots adjacent to a middle Lot, the Committee may authorize the merger or subdivision of adjoining such Lots; provided, however, such merger or subdivision shall be in accordance with these declarations, including provisions which may further regulate the merger or subdivision. No merger or subdivision of Lots shall be allowed unless approved by the Committee.

(b) Two adjoining Lots may be subdivided provided that in no event shall either of the subdivided Lots contain less than ninety (90) percent of their original Lot area. The Committee's decision shall be final.

(c) A Lot between two Lots may be subdivided and added in the adjacent Lots provided that the boundary line must be generally run from the street to the rear of the subdivided Lot. The Committee's decision shall be final.

(d) Such plats and plans as may be necessary to show the merger or subdivision of Lots shall be thereafter prepared at the expense of the requesting Owner or Owners, who shall additionally be responsible for all costs, including legal fees, associated with the merger or subdivision of such Lots. In addition, the side lot utility easement, if any, must be abandoned or released in accordance with applicable law. The Committee may impose conditions for use of the merged or subdivided Lots as a condition precedent to granting approval of such a merger or subdivision. From and after the time a merger or subdivision of Lots is approved, such Lots shall, for all purposes, be considered Lots in accordance with their new boundaries.

Section 4. Corrected Plats. Until the time a Lot or residential unit within the Properties is transferred by the Declarant to another (other than Builder/Owner, an affiliate of the Declarant, or a holder of a first mortgage on the entire Properties), no Owner of any Lot or residential unit shall have any rights whatsoever to the continuation of any covenants, conditions or restrictions on such properties as contained herein or as may be imposed, expressly or implied, by recordation of any plat or as might otherwise be implied or expressed. In furtherance thereof, until the time a Lot or residential unit within the Properties is transferred by the Declarant as aforementioned, the Declarant may revoke or cancel any Plat or other instrument which might be deemed, either expressly or implied, to impose any covenants, conditions or restrictions or may take whatsoever steps it deems necessary or desirable to avoid the implication of such existing.

EXECUTED this 24th day of June, 2003.

SJ DEVELOPMENT, INC.,
a Texas corporation
d/b/a GRAND HARBOR

BY: Pres.
STEVE BOWEN, President

337-10-2247

THE STATE OF TEXAS }

COUNTY OF MONTGOMERY }

BEFORE ME, the undersigned authority, on this day personally appeared **STEVE BOWEN**, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was the act of the said SJ Development, Inc., a Texas Corporation, d/b/a Grand Harbor and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 12 day of June, 2003.

DONNA G. MOORE NOTARY PUBLIC STATE OF TEXAS EXPIRES 09-16-2006

Donna G. Moore
Notary Public, State of Texas

AFTER RECORDING RETURN TO:

GRAND HARBOR
15450 Walden Road
Montgomery, Texas 77356

FILED FOR RECORD

2003 JUN 13 PM 3:54

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.

JUN 13 2003

Mark Turnbull
County Clerk
Montgomery County, Texas

2007-080954 390-11-2811

DEED
(Without Warranty)

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

That, SJ DEVELOPMENT, INC. D/B/A GRAND HARBOR, a Texas corporation, hereinafter called "GRANTOR", for and in consideration of the sum of Ten and No/100 Dollars ($10.00) cash and other good and valuable consideration to GRANTOR in hand paid by the GRAND HARBOR PROPERTY OWNER'S ASSOCIATION, INC., a Texas non-profit corporation, hereinafter called "GRANTEE", the receipt and sufficiency of which is hereby acknowledged and confessed, has GRANTED, BARGAINED, SOLD, AND CONVEYED, and by these presents does GRANT, BARGAIN, SELL AND CONVEY unto the said GRANTEE, all of that certain real property together with all appurtenances and improvements situated thereon and rights with respect thereto, specifically the "Streets" as described in attached Exhibit "A", made a part hereof, located in Montgomery, Texas (hereinafter referred to as the "Property").

THIS CONVEYANCE is made and the Property is accepted as is and with all faults, and subject to all valid and existing restrictions, rights-of-way, mineral and royalty reservations, zoning laws, ordinances of municipal or governmental authorities and conditions and covenants, if any, applicable to and enforceable against the Property, of record in the Office of the County Clerk of Montgomery County, Texas.

TO HAVE AND TO HOLD with all and singular, the rights and appurtenances thereto in anywise belonging unto said GRANTEE, GRANTEE'S successors and assigns forever. As a material part of the consideration for this Deed Without Warranty, GRANTOR and GRANTEE agree that GRANTEE is taking the Property "AS IS" with any and all latent and patent defects and that there is no warranty by GRANTOR that the Property is fit for a particular purpose. GRANTEE acknowledges that it is not relying upon any representation, statement or other assertion with respect to the Property condition, but is relying upon its examination of the Property. GRANTEE takes the Property under the express understanding there are no warranties.

THIS CONVEYANCE IS MADE SUBJECT TO:

1. All easements, restrictions, building set-back lines and other matters appearing of record in Montgomery County, Texas, and affecting the Property or any part thereof.

2. GRANTOR'S retention of an easement for ingress and egress across, under and over the Property.

3. The agreement by and between GRANTOR and GRANTEE that ad valorem taxes on the Property for the calendar year 2007 and all successive years are hereby

assumed by GRANTEE. Any roll back taxes assessed as a result of change in use of the Property shall be borne by GRANTEE.

4. GRANTOR'S retention of the right to grant additional easements without the joinder of GRANTEE.

5. GRANTOR'S retention of all minerals rights in, on, and under the Property, however, GRANTOR hereby waives it's rights to utilize the surface of the Property for mineral exploration or production.

6. GRANTEE'S permitted use of the Property shall be for use as streets only for the benefit of Grand Harbor residents, their guests and invitees. Such use may not be changed.

GRANTEE agrees that this conveyance is subject to the following additional restrictions all of which are additional consideration for the transfer of the Property.

1. GRANTEE agrees not to further transfer the Property of any portion of it without the consent of GRANTOR or its successors or assigns.

2. GRANTEE agrees to maintain the Property for the benefit of the residents of Grand Harbor and their guests and invitees.

TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, THIS DEED IS MADE AND ACCEPTED (A) WITHOUT RECOURSE ON GRANTOR AND (B) WITHOUT REPRESENTATION AND WARRANTY OF ANY KIND (WHETHER EXPRESS, IMPLIED OR STATUTORY) BY GRANTOR. GRANTOR IS CONVEYING THE PROPERTY COVERED BY THIS DEED ON AN "AS IS, WHERE IS" BASIS, WITH ALL FAULTS, AND WITHOUT REPRESENTATION OR WARRANTY (ALL OF WHICH GRANTOR DISCLAIMS).

Grantee joins in the execution of this Deed Without Warranty to evidence is acceptance of the restrictions and terms and conditions of the transfer.

(SIGNATURE PAGES TO FOLLOW)

EXECUTED this the 11th day of July, 2007.

GRANTOR:

SJ DEVELOPMENT, INC., d/b/a
Grand Harbor, a Texas corporation

By: _____
Steve Bowen, President

THE STATE OF TEXAS §
§
COUNTY OF MONTGOMERY §

THIS INSTRUMENT was acknowledged before me on the 11th day of July 2007 by Steve Bowen, the President of SJ Development, Inc., a Texas corporation, known by 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 and consideration therein expressed and in the capacity therein expressed.

Elizabeth A. Price
Notary Public – State of Texas

ELIZABETH A. PRICE
NOTARY PUBLIC, STATE OF TEXAS
MY COMMISSION EXPIRES
01-23-2008

ACCEPTED this the 11th day of July, 2007.

GRANTEE:

Grand Harbor Property Owners Association, Inc., a Texas non-profit corporation

By: Harry Young President
Print Name: Harry Young
Title: President

Address of Grantee:
15450 Walden Rd.
Montgomery, Texas 77356
Montgomery County

THE STATE OF TEXAS §
§
COUNTY OF MONTGOMERY §

THIS INSTRUMENT was acknowledged before me on the 11th day of July 2007, by Harry Young, the President of Grand Harbor Property Owner's Association, Inc, a Texas non-profit corporation, on behalf of the said corporation.

ELIZABETH A. PRICE
NOTARY PUBLIC, STATE OF TEXAS
MY COMMISSION EXPIRES
01-23-2008

Elizabeth A. Price
Notary Public – State of Texas

R:\REAL\HOA\GrandHarbor-Dev\Reserves\Deed-GH Sec 6 doc

After Recording Return To:

Marc D. Markel
Roberts Markel Bale P.C.
2800 Post Oak Blvd., 57th Floor
Houston, Texas 77056

EXHIBIT "A"

STREETS

That portion of Mystic Point shown as a 60' ROW Private street located in Grand Harbor Section Six, according to the plat thereof recorded under Clerk's File No. 2002074309 in the map records of Montgomery County.

That portion of Grand Pine Drive shown as a 60' ROW Private street located in Grand Harbor Section Six, according to the plat thereof recorded under Clerk's File No. 2002074309 in the map records of Montgomery County.

NOTE: The property being conveyed herein is additionally restricted in its use as provided on the plat or other recorded document.

FILED FOR RECORD

07 JUL 11 PM 4:03

Mark Tumball

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.

JUL 11 2007

Mark Tumball

County Clerk
Montgomery County, Texas

GHPOALC

REVISED
DEED RESTRICTIONS
ENFORCEMENT
POLICY AND PROCEDURE

June 18, 2008

GRAND HARBOR PROPERTY OWNERS ASSOCIATION
on LAKE CONROE

11301 Grand Harbor Blvd.
Montgomery, TX 77356

GRAND HARBOR PROPERTY OWNERS ASSOCIATION on LAKE CONROE

DEED RESTRICTIONS ENFORCEMENT POLICY AND PROCEDURE

I. POLICY

RESOLVED, it is the policy of the Grand Harbor Property Owners Association on Lake Conroe (GHPOALC) to institute and execute a subdivision Deed Restrictions Enforcement Procedure as described in subsequent sections. The authority for this procedure is lawfully derived from subdivision Covenants, Conditions, and Restrictions (CCR's) of record and current GHPOALC By-Laws of record, which state, in part:

Covenants, Conditions, and Restrictions
Article IX, "General Provisions"
Section 1. "Term"

"It shall be lawful for the Association, the Architectural Control Committee, or any lot owner to prosecute the proceedings at law or in equity against the person or persons violating or attempting to violate any such Covenants and either prevent him or them from doing so or to recover damages or other dues for such violations."

First Amended and Restated By-Laws of the GH POA
Article III, "Board of Directors: Number, Powers, Meetings"
Paragraph C. "Powers and Duties"
Section 1. "Powers

"... the Board of Directors shall have the power to establish policies relating to, and for performing or causing to be performed, the following,...:

(g) making and amending rules and regulations and promulgating, implementing and collecting fines for violation of the rules and regulations;
(i) enforcing by legal means the provisions of the Declaration, including the provisions concerning architectural control, these By-Laws, and the rules and regulations adopted by the Association and bringing any proceedings that may be instituted on behalf of or against the Owners concerning the Association:...."

II. PROCEDURE

The procedure for enforcing the CCR's depends on the type of violation:

Type A: Those violations that are relatively easily cured by property owner action.

Type B: Those violations of a nature that any violator's procrastination in implementing a remedy will be penalized through an added per-day surcharge of the basis fine (See also "Grace Period" consideration in Procedural Notes.)

Type C: Those violations involving a critical time element (such as rapid growth of grass and other vegetation) that, if not expeditiously cured by the property owner, will be remedied by the GHPOALC, with the property owner appropriately charged for the remedy.

Type D: Those items in violation of the Architectural Control Committee's (ACC) Building Application accepted by both the homeowner and the builder.

Procedural Notes:

1. Any procedure executed against a specific instance of violation is a discrete action in and of itself. If the violation is repeated in the future, this procedure is to be repeated in its entirety other than any fine initially imposed shall escalate according to the penalty schedule in Section III below.

2. Photo documentation is essential for the timely closure of all violations. Photo copies will be retained in the property owner's file along with all correspondence.

3. A "Violations Log," updated with violation events, status and closures, shall be electronically maintained (with written report printout) in a format containing the attributes listed in Attachment 1.

4. Violations applicable to these procedures, derived from CCR's and ACC Building Application Conditions and Restrictions, are identified and listed in Attachment 2.

5. While Type B violations carry the added per-day surcharge to deter violation correction delay, certain violations are deferred for property-owners' usual and customary, personal activities at residence. RV and travel trailer parking for trip preparation, boat or motor vehicle repairs by the owner, etc. receive a grace period:

Weekends: Friday pm to Monday am deferral,

Weekdays: Any two-days, one overnight deferral.

Deferrals can be extended for a defined period with prior notification of the POA Management. All grace period Type B violations are noted by (B*) designation in Appendix 2.

A. Type "A" Violation Procedure:

1. When a Type "A" violation is observed and when a photo of the violation is obtained, the property owner shall be sent a written notice, via First Class Mail, of the alleged violation. This "First Notice" letter (per Appendix A) shall request action to bring about compliance with the CCR's and solicit a response from the owner within ten (10) days of the date of the First Notice letter as to when the violation will be cured, along with the offer to appear at a Board of Directors' meeting.

The GHPOALC Manager shall also attempt telephone contact to convey all aspects of the violation notification as contained in the First Notice letter.

2. If a request to appear at a Board of Directors' meeting is received from the owner within ten (10) days of the First Notice date, a hearing shall be entered on the Board Agenda with such hearing to take place at the earliest opportunity, but no later than fourteen (14) days from the date the request is made.

3. If no request to appear at a Board of Directors' meeting is received, or if after the hearing a violation is found to exist, the owner shall be sent a "Final Notice" letter (per Appendix B) via both Certified and First Class Mail, demanding compliance with the deed restriction. The owner shall be advised that if the matter is not rectified within ten (10) days of the date on Final Notice letter, at the discretion of the Board, the owner will be subject to a monetary fine according to the attached fine schedule (per Section III below), or the matter turned over to the Association's attorney to initiate civil litigation proceedings.

The GHPOALC Manager shall also attempt telephone contact to convey all aspects of the same demand contained in the Final Notice letter.

4. If the violation is still not rectified after the expiration if the Final Notice ten (10) day period: **1) Any fine assessed by the Board, as well as nominal cost of owner notices and invoicing, shall be levied against the property and processed for collection through the GHPOALC's "Delinquent Property Assessments and Dues" system, or 2) The Association's attorney shall be instructed to file suit against the owner and seek all legal remedies available.**

B. Type "B" Violation Procedure:

1. When a Type "B" violation is observed and when a photo of the violation is obtained, the property owner shall be sent a written notice, via First Class mail, of the alleged violation. This "First Notice" letter (per Appendix A) shall request action to bring about compliance with the CCR and solicit a response from the owner within ten (10) days of the date on the First Notice letter as to when the violation will be cured, along with the offer to appear at a Board of Directors' meeting.

The GHPOALC Manager shall also attempt telephone contact to convey all aspects of the violation notification as contained in the First Notice letter.

2. Further processing shall be delayed if the owner replies to the Association in writing that the violation will be cured "within a reasonable time." Unspecified or indeterminate timeframes for cure are not considered to be within a reasonable time.

3. If a request to appear at a Board of Directors' meeting is received from the owner within ten (10) days of the First Notice date, a hearing shall be entered on the Board Agenda with such hearing to take place at the earliest opportunity, but no later than fourteen (14) days from the date the request is made.

4. If no request to appear at a Board of Directors' meeting is received, or if after the hearing a violation is found to exist, or if the response from the owner indicates an unreasonable time for cure, the owner shall be sent a "Final Notice" letter (per Appendix B) via both Certified and First Class Mail. The letters shall demand the cure be effected within a reasonable time and also stress the owner will be subject to a monetary fine, including the per-day surcharge,

according to the attached fine schedule (per Section III below), or the matter turned over to the Association's attorney to initiate civil litigation proceedings.

The GHPOALC Manager shall also attempt telephone contact to convey all aspects of the same demand contained in the Final Notice letter.

5. If the violation is still not rectified after the expiration of the time allowed: **1) Any fine assessed by the Board, as well as nominal cost of owner notices and invoicing, shall be levied against the property and processed for collection through the GHPOALC's "Delinquent Property Assessments and Dues" system, or 2) The Association's attorney shall be instructed to file suit against the owner and seek all legal remedies available.**

C. **Type "C" Violation Procedure:**

1. When a Type "C" violation is observed and when a photo of the violation is obtained, the property owner shall be sent a written notice, via Certified Mail and First Class mail, of the alleged violation. This "Special Notice" letter (per Appendix C) shall request action to bring about compliance with the CCR's and solicit a response from the owner within ten (10) days of the data on the Special Notice letter, along with the offer to appear at a Board of Directors' meeting.

The GHPOALC Manager shall also attempt telephone contact to convey all aspects of the violation notification contained in the Special Notice letter.

2. If a request to appear at a Board of Directors' meeting is received from the owner within ten (10) days of Special Notice letter date, a hearing shall be entered on the Board Agenda with such hearing to take place at the earliest opportunity, but no later than fourteen (14) days from the date the request is made.

3. If no request to appear at a Board of Directors' meeting is received, or if after the hearing a violation is found to exist, or if the violation is still not rectified after the expiration of the ten (10) day period, an appropriate contractor shall be engaged and directed to bring the property into compliance. **The owner shall then be charged for the full cost thereof, as well as nominal cost of owner notices and invoicing, and processed for collection through the GHPOALC's "Delinquent Property Assessments and Dues" system.**

D. **Type "D" Violation Procedure:**

In addition to home construction restrictions in the CCR's, Type D violations occur when a restriction in the home construction "ACC Building Application" (ACCBA) contract between the property owner/home builder and the GHPOALC Architectural Control Committee (ACC) is violated. The ACCBA contract may also contain enforcement procedure. Although unlikely, in the event of conflict, the ACCBA contents supersede this procedure.

1. When a Type "D" violation is observed and when a photo of the violation is obtained, both the builder and owner shall be sent a written notice of the alleged violation, via First Class Mail or hand-delivered. This "ACC Notice" letter (per Appendix D) shall demand the owner/builder immediately remedy the violation within ten (10) days from the date on the ACC

Notice letter, along with the offer of opportunity to appear at an Architecture Control Committee' meeting.

The GHPOALC Manager shall also attempt telephone contact to convey all aspects of the violation notification contained in the ACC Notice letter.

2. If a request to appear at an Architectural Control Committee meeting is received from the owner/builder within seven (7) days of the ACC Notice date, a hearing shall be entered on the ACC Agenda with such hearing to take place at the earliest opportunity, but no later than seven (7) days.

3. If no request to appear at an Architectural Control Committee meeting is received, or if after the hearing a violation is found to exist, or if the violation is still not rectified after the ten (10) day period: **1) Any monetary fine assessed by the ACC shall be levied against the property through subtraction from the Builder's Refundable Deposit at the time of post-construction deposit return, or 2) the Association's attorney shall be notified to anticipate a possible suit against the owner/builder within the legal remedies available.**

For violation fines over and above the Refundable Deposits amount, **the owner shall then be charged for the balance cost thereof, as well as nominal cost of owner notices and invoicing, and processed for collection through the GHPOALC's "Delinquent Property Assessments and Dues" system.**

4. **Any action taken by the ACC shall be subjected to review by the full POA Board of Directors within ten (10) days of any deposit-penalty. As a matter of routine, a listing of active violation proceedings shall be provided to the board on a regular basis.** The Board can uphold or overturn the ACC findings/recommendation.

III. PENALTY SCHEDULE

Type A Violation:	1st Violation	$100.00 + $30.00 admin fee
	2nd Violation	$150.00 + $30.00 admin fee
	Subsequent Violations	$250.00 + $30.00 admin fee
Type B Violation:	1st Violation	$150.00 + $50.00 admin fee + 10% (of base fine) added as per-day surcharge
	2nd Violation	$200.00 + $50.00 admin fee + 10% (of base fine) added as per-day surcharge
	Subsequent Violations	$400.00 + $50.00 admin fee + 10% (of base fine) added as per-day surcharge
Type C Violation:	1st Violation	Actual cost + $50.00 admin fee
	2nd Violation	Actual cost + $50.00 admin fee
	Subsequent Violations	Actual cost + $50.00 admin fee

		Minor	Major	
Type D Violation	1st Violation	$200.00	$1000.00	(+ $50.00 admin fee)
	2nd Violation	$300.00	$1000.00	(+ $50.00 admin fee)
	Subsequent Violations	Same as 2nd		

APPENDIX A: VIOLATION TYPE A or B "FIRST NOTICE" LETTER

GHPOALC LETTERHEAD
First Notice of Grand Harbor/Harbor Side Deed Restriction Violation

(OWNER'S NAME)
(OWNER'S MAILING ADDRESS) (Verify as current)

Property Legal ID #: *G/H* Section: ____, Block: ____, Lot: ____

DATE: _____

Dear Property Owner,

The Grand Harbor Property Owner's Association on Lake Conroe (GHPOALC) is responsible for subdivision Deed Restrictions Enforcement. The specifics of this responsibility are contained in the enforcement procedure on file at the Montgomery County Courthouse and available for your viewing at: http://www.grandharborpoa.com

An apparent violation of the subdivision Covenants, Conditions and Restrictions (CCR's) has been identified on the reference property as follows:

(Explain violation with specifics. Note surcharge, if Type B. Include at least one photo)

As the property owner of record, the GHPOALC is looking to you to remedy this situation:

(Explain what is needed to remove the violation)

This violation must be cleared within ten (10) days of the date of this letter. If there are extenuating circumstances as to why you have not or cannot cure this violation, please contact the POA Office immediately at 936-582-1054 during regular business hours (10:00 am – 5:00 pm CST) with your explanation:

(Insert responsible manager's name, phone #, and email address)

According to GHPOALC Policy and Procedures, you also have the right to appeal this asserted violation to the GHPOALC Board of Directors by requesting a meeting through the contact above within this same ten (10) day window of opportunity.

It is our hope that the alleged violation will be cleared with minimum impact on all parties. Please understand that your inattention to this matter will eventually result in either a monetary fine or a substantial legal proceeding as noted in the above referenced document.

Sincerely,

(Name and Position with GHPOALC)

APPENDIX B: VIOLATION TYPE A or B "FINAL NOTICE" LETTER

GHPOALC LETTERHEAD
Final Notice of Grand Harbor/Harbor Side Deed Restriction Violation

(OWNER'S NAME)
(OWNER'S MAILING ADDRESS) (Verify as current)

Property Legal ID #: *G/H* Section: ____, Block: ____, Lot: ____

DATE: _____

Dear Property Owner,

On _____, you were notified of a violation of Grand Harbor/Harbor Side subdivision Covenants, Conditions and Restrictions (CCR's) as follows:

(Explain violation with specifics. Note surcharge, if Type B. Include at least one photo)

As the property owner of record, the Grand Harbor Property Owners Association on Lake Conroe (GHPOALC) was looking to you to remedy this violation, but, as yet, there has been no satisfactory resolution. Also, the offer of an opportunity to discuss the situation with the GHPOALC Board of Directors was not taken. Therefore, this letter constitutes FINAL NOTICE and the violation must be cleared within ten (10) days of the date of this letter.

According to the GHPOALC's Deed Restrictions Enforcement Policy and Procedures document (on file at the Montgomery County Courthouse and available for your viewing at: http://www.grandharborpoa.com), the recourses available to POA management are either monetary fines or GHPOALC attorney intervention. Instead of these unpalatable alternatives, please immediately consider:

(Explain what is needed to remove the violation)

It is yet our hope the alleged violation can be cleared with minimum impact. However, please understand that further inattention to this matter will absolutely result in either a monetary fine or a substantial legal proceeding as previously noted. If you have any questions or need additional information, please contact the POA Office at 936-582-1054 during regular business hours (10:00 am – 5:00 pm CST).

Sincerely,

(Name and Position with GHPOALC)

APPENDIX C: VIOLATION TYPE C "SPECIAL NOTICE" LETTER

GHPOALC LETTERHEAD
First/Final Notice of Grand Harbor/Harbor Side Deed Restriction Violation

(OWNER'S NAME)
(OWNER'S MAILING ADDRESS) (Verify as current)

Property Legal ID #: G/H Section: ____, Block: ____, Lot: ____

DATE: _____

SUBJECT:

Dear Property Owner,

The Grand Harbor Property Owner's Association on Lake Conroe (GHPOALC) is responsible for subdivision Deed Restrictions Enforcement. The specifics of this responsibility are contained in the enforcement procedure on file at the Montgomery County Courthouse and available for your viewing at: http://www.grandharborpoa.com

A violation of the subdivision Covenants, Conditions and Restrictions (CCR's) has been identified on the reference property as follows:

(Explain violation with specifics. Include at least one photo)

As the property owner of record, the GHPOALC is looking to you to immediately remedy this situation:

(Explain what is needed to remove the violation)

Because of the time element with this situation, the violation must be cleared within ten (10) days of the date of this letter; otherwise the recourse taken by the GHPOALC, per procedure, will either be a monetary fine (actual remedy cost + admin. fee) or GHPOALC attorney intervention

If there are extenuating circumstances as to why you have not or cannot cure this violation, please contact us immediately with your explanation:

(Insert responsible manager's name, phone #, and email address)

According to GHPOALC Policy and Procedure, you also have the right to appeal this asserted violation to the GHPOALC Board of Directors by requesting a meeting through the contact above within this same ten (10) day window of opportunity.

It is yet our hope the alleged violation can be cleared with minimum impact. However, please understand that further inattention to this matter will absolutely result in either a monetary fine or substantial legal proceeding as previously noted. If you have any questions or need additional information, please contact the POA Office at 936-582-1054 during regular business hours (10:00 AM – 5:00 pm CST).

Sincerely,

(Name and Position with GHPOALC)

APPENDIX D: TYPE D "ACC NOTICE" LETTER

GHPOALC LETTERHEAD
ACC Notice of Grand Harbor/Harbor Side Deed Restriction Violation

(OWNER'S NAME)
(OWNER'S MAILING ADDRESS) (Verify as current)

Property Legal ID #: G/H Section: ____, Block: ____, Lot: ____

DATE: _____

Dear Property Owner,

The Grand Harbor Property Owner's Association on Lake Conroe (GHPOALC), in part through its Architectural Control Committee (ACC), is responsible for subdivision Deed Restrictions Enforcement and Architectural Controls. The specifics of this responsibility are contained in enforcement procedure on file at the Montgomery County Courthouse and available for your viewing at: http://www.grandharborpoa.com

A violation of either: 1) the restrictions and conditions contained in the ACC Building Application you, as the owner, and/or the builder, agreed to, or 2) the subdivision Covenants, Conditions and Restrictions (CCR's) has been identified on the reference property as follows:

(Explain violation with specifics. Include at least one photo)

As the property owner of record, the GHPOALC is looking to you and/or the builder of record to immediately remedy this situation:

(Explain what is needed to remove the violation)

Because of the time element with this dynamic situation, the violation must be cleared within ten (10) days of receipt of this letter; otherwise the recourse taken by the GHPOALC ACC will either be a monetary fine (with the assessed amount withheld from the Builder's Refundable Deposit), or GHPOALC attorney intervention

If there are extenuating circumstances as to why you and your builder have not or cannot cure this violation, please contact the POA Office immediately with your explanation:

(Insert responsible manager's name, phone #, and email address)

According to GHPOALC Policy and Procedures, you or a builder representative also have the right to appeal this asserted violation to the GHPOALC ACC by requesting a meeting through the contact above within this same ten (10) day window of opportunity.

It is yet our hope the alleged violation can be cleared with minimum impact. However, please understand that further inattention to this matter will absolutely result in either a fine or a substantial legal proceeding as previously noted. If you have any questions or need additional information, contact the POA Office at 936-582-1054 during regular business hours (10:00 am – 5:00 pm CST).

Sincerely,

(Name and Position with GHPOALC)

CC:
Builder of Record.
File

Attachment 1
June 9, 2008

GHPOALC
CCR VIOLATIONS LOG

The violations processed through the GHPOALC Policy and Procedure (P&P) "computer tool" shall absolutely have the following events and data attributes entered and recorded at the time each is recognized or executed. The purpose is to maintain an official time-sequence history/record of each violation from first discovery to final disposition.

1. **Legal Identification** (Violator ID, e.g., H01B01L06 equivalent to: Harbor Side Lot 01, Block 01, Lot 06)
2. **Owner's Name** (As listed on the official Montgomery County Appraisal District (MCAD) property rolls)
3. **Owner's Mailing Address** (Violator address extracted from the current official MCAD property rolls, e.g., 18848 Harbor Side Blvd. Montgomery, TX 77352-3222)
4. **Covenants, Conditions and Restrictions (CCR) Identification Code** (Three character ID from P&P Attachment 2)
5. **Violation Date** (Date upon which violation is first observed and photographed)
6. **Violation Type** (Single P&P Alpha character to indicate the specific sub-procedure to use in processing the violation)
7. **Repeat Violation?** (Indication if, for the legal ID, the infraction is the first time or a repeat offense. Used to determine the dollar amount per P&P Section III of any levied fine)
8. **Violation Fine** (Dollar amount of any fine to be levied)
9. **1st Letter Mailed** (Date the first written correspondence is sent for each violation)
10. **2nd Letter Mailed** (Date a final/demand letter is sent)
11. **Contact #1** (Date first telecom or email contact is made with Owner – note whether telecom or email used)
12. **Contact #2** (Date a follow-up contact is made, usually at the same tie as 2nd Letter)
13. **Closed Date** (Date the violation is determined to need no further attention/activity)
14. **Explanatory Notes** (Dated set of time-sequenced notes that elaborate and further document violation activity/events)

Attachment 2.

CCR VIOLATIONS

VIOLATION ID	VIOLATION	CCR LOCATION	Type
	Unauthorized Use	**Art. III, Sec. 1**	
UU1	Residential property used for Business, Professional, Commercial or Manufacturing purposes		B
UU2	Attached garage not in a functional configuration available for the parking of automobiles		D
	Annoyance or Nuisance	**Art. III, Sec. 9, 18**	
NN1	Exterior speakers, horn, whistle, bell, or other sound device used or placed on a Lot		A
NN2	Auto repair on Lot or in a driveway or street		B*
NN3	Storage of flammable liquids in excess of 10 Gallons		B
NN4	Discharge of Firearm or Fireworks		A
NN5	Conducting an offensive or hazardous activity by reason of: Fire, Explosive, Odor, Fumes, Dust, Smoke, Vibration, or Pollution		B
NN6	Unauthorized liquified hydrocarbon storage container in use (other than small grill-type containers)		B
	Temporary Structure	**Art. III, Sec. 1, 10**	
TS1	Temporary Structure placed on Lot: Manufactured Home, Mobile Home, Outbuilding		B
TS2	Temporary Structure placed on Lot: Travel Trailer, RV		B*
TS3	Temporary Structure placed on Lot: Tent, Shack		B
	Improper/Unauthorized Signage	**Art. III, Sec. 11**	
IU1	Improper or unauthorized signage, displays, banners, advertising device, etc. posted on Property		C
	Garbage and Refuse	**Art. III, Sec. 13, 20**	
GR1	Trash or Rubbish on property not in approved containers		A
GR2	Open storage of materials visible from street (other than approved construction)		A
	Obstruction of View	**Art. III, Sec. 15**	
OV1	Plant material greater than 2 feet in height past rear building line of lakefront Lot.		A
	Walls, Fences and Hedges	**Art. III, Sec. 16**	
WF1	Improper location of wall or fence		D
WF2	Waterfront Lot fence is not black ornamental iron		A
WF3	Waterfront Lot fence is over 4 feet in height		A
WF4	Chainlink fence erected or otherwise placed on Lot		D
WF5	Interior Lot fence greater than 6 feet		A
WF6	Interior fence not of approved materials		D
WF7	Wooden fence finished face not facing street side		D
WF8	Installed fence impeding natural water flow		C
	Views, Obstructions and Privacy	**Art. III, Sec. 19**	
VO1	Clothes lines, exterior clothes drying devices used on Lot		A
VO2	Above ground swimming pool installed		A
VO3	Window air conditioner installed		A
VO4	Inoperable motor vehicle stored on Lot		B*
	Lot/Yard Maintenance	**Art. III, Sec. 20**	
LY1	Lot not landscaped 3 or more months of date of Occupancy		D
LY2	Failure to cut weeds and grass and maintain property in a sanitary, healthful and attractive manner		C
LY3	Unauthorized removal of dirt from or unauthorized tree cutting on Lot	(also III Sec. 15)	C
LY4	Inappropriate storage of materials and equipment other than for original construction.		A
LY5	Driving through ditches to gain access to Lot		C

Attachment 2.

CCR VIOLATIONS

LY6	Rear yards or portions of yards visible to public view: residential materials not properly screened or stored		A
LY7	Burning of trash and debris on property		A
LY8	Standing dead tree hazard not removed		A
LY9	Fallen dead tree(s) not removed		A
L10	Lot erosion/silting into ditches or canals; No effective erosion control measures in use or measures in disrepair.		B
	Motor Vehicle Operation, Storage, Repair	**Art. III, Sec. 21, 22**	
MV1	Improper operation of unlicensed vehicle on roads: motorcycle, scooter, go-cart		A
MV2	Non-motorized vehicle, trailer, boat, or marine-type improperly parked or stored on any part of lot, easement, or right-of-way		B*
MV3	Improper dismantling and repair, or storage, of motorized vehicle on any part of lot, easement, or right-of-way.		B*
	Antenna and Satellite Dish, Panels	**Art. III, Sec. 23, 24**	
SD1	Antenna/dish improper size, color, # of Dishes.		A
SD2	Improper radio transmission - radiation of energy.		A
SD3	Solar panels improperly located for installation		A
SD4	Satellite dish outside of building lines or in front of a building or visible from the street.		A
	Pets	**Art. III, Sec. 25**	
PT1	Horses, cows, poultry or other livestock (other than inside-housepets) maintained on Lot (Exemption for certain Lots on Peel Rd.)		C
PT2	Pets running at large; pets not on leash; animals causing resident threat or nuisance		C
	Architecture Control		
AC1	Unauthorized/unapproved carport put in place	Art. III, Sec. 2	D
AC2	Window or wall type air conditioner installed	Art. III, Sec. 5	A
AC3	Initiated home construction on-site exceeding 180 days	Art. III, Sec. 10	D
AC4	Protective patio screening deteriorated and needing repair or maintenance	Art. III, Sec. 16	A
AC5	Unauthorized mailbox design or use of construction materials	Art. III, Sec. 17	D
AC6	Unauthorized liquified hydrocarbon storage container in use	Art. III, Sec. 18	B
AC7	Unauthorized installation of Flagpole, Pennants, Roof-top solar collectors, Sunlight obstructions, Children's playground equipment, Exterior Lights, Ornamental statuary and yard art,	Art. III, Sec. 19	A
AC8	Failure to remove construction site downed trees, stumps, limbs, branches	Art. III, Sec. 20	D
AC9	Improper entry or use of adjacent lot; unauthorized trash and debris on adjacent lot	Art. III, Sec. 20	D
A10	Improper entry to construction site; no culvert; passage through ditch	Art. III, Sec. 20	D
A11	Entry culvert at incorrect grade or slope	Art. III, Sec. 20	D
A12	Alteration of established drainage. Unauthorized, Improper, Incomplete	Art. III, Sec. 26	D
A13	Entrance lip, culvert, driveway curb ties in disrepair and unattractive	Art. III, Sec. 27	A
A14	Unauthorized bulkhead, boatslip cover (homemade type),	Art. III, Sec. 31	A
A15	Bulkhead, boat slip not properly repaired or maintained	Art. III, Sec. 31	A
A16	Plastic construction fencing not installed or in disrepair	Building App.	A
A17	Improper concrete contractor washout of cement trucks	Building App.	A
A18	Dirt and construction debris allowed to remain on street; no broom cleaning	Building App.	A
A19	No dumpster or authorized trash receptacle on construction site	Building App.	A
A20	Worker lunch litter, debris, alcohol consumption on construction site	Building App.	A
A21	Dirt and construction debris in drainage ditches	Building App.	A

GHPOALC APPROVAL

I certify that the foregoing is a correct representation of the Policy and Procedure resolution passed by a majority of the GHPOALC Board of Directors on the date specified.

GHPOALC Secretary — DATE 8-11-09

APPROVED:

President

Vice President/Treasurer

EXECUTED this the 13th day of August, 2009.

GRAND HARBOR PROPERTY OWNERS ASSOCIATION on LAKE CONROE, a Texas Non-profit Corporation

By: Sue Bird
Sue Bird, General Manager

THE STATE OF TEXAS §
§
COUNTY OF MONTGOMERY §

THIS INSTRUMENT was acknowledged before me on the 13th day of August, 2009 by Sue Bird, General Manager of GRAND HARBOR PROPERTY OWNERS ASSOCIATION on LAKE CONROE, a Texas non-profit corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes therein expressed and in the capacity therein expressed.

Lisa Carver
Notary Public – State of Texas

LISA MICHELLE CARVER
MY COMMISSION EXPIRES
October 31, 2012

After filing, mail to:

Grand Harbor POA
11301 Grand Harbor Blvd.
Montgomery, Texas 77356

Attn: Sue Bird, General Manager

FILED FOR RECORD

2009 AUG 20 PM 12:05

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.

AUG 20 2009

Mark Turnbull

County Clerk
Montgomery County, Texas