



BYLAWS
OF
HARBORVIEW OWNERS ASSOCIATION, INC.
(a Texas nonprofit corporation)

TABLE OF CONTENTS

ARTICLE I Purposes; Defined Terms

Section 1.1	Purposes of Association	1
Section 1.2	Purpose of Bylaws	1
Section 1.3	Definitions	1

ARTICLE II Members

Section 2.1	Membership	1
Section 2.2	Annual Meeting	1
Section 2.3	Special Meetings	2
Section 2.4	Place of Meetings	2
Section 2.5	Notice of Meetings, Waiver	2
Section 2.6	Ineligibility	2
Section 2.7	Record Dates	2
Section 2.8	Voting Members List	3
Section 2.9	Quorum	3
Section 2.10	Votes	3
Section 2.11	Proxies	4
Section 2.12	Conduct of Meetings	4
Section 2.13	Order of Business	4
Section 2.14	Adjournment of Meeting	4

ARTICLE III Board of Directors

Section 3.1	General	5
Section 3.2	Powers and Duties	5
Section 3.3	Number and Term of Office	7
Section 3.4	Qualification	8
Section 3.5	Election	8
Section 3.6	Vacancies	8
Section 3.7	Removal of Directors	8
Section 3.8	Organizational Meeting of the Board of Directors	9
Section 3.9	Regular Meetings of the Board of Directors	9
Section 3.10	Special Meetings of the Board of Directors	9
Section 3.11	Conduct of Meetings	9
Section 3.12	Quorum	9
Section 3.13	Presumption of Assent	9
Section 3.14	Open Meetings	9
Section 3.15	Appointment of Committees	10
Section 3.16	Ex-Officio Directors	10
Section 3.17	Management Certificate	10

ARTICLE IV Officers

Section 4.1	Designation	11
Section 4.2	Election of Officers	11
Section 4.3	Removal and Resignation of Officers	11
Section 4.4	President	11
Section 4.5	Secretary	11
Section 4.6	Treasurer	12
Section 4.7	Authorized Agents	12

ARTICLE V Rules

Section 5.1	Rules	12
Section 5.2	Adoption and Amendment	12
Section 5.3	Notice and Comment	12
Section 5.4	Distribution	12

ARTICLE VI Enforcement

Section 6.1	Enforcement	13
-------------	-------------	----

ARTICLE VII Obligations of the Members

Section 7.1	Proof of Ownership	13
Section 7.2	Members' Addresses	13
Section 7.3	Registration of Mortgagees	13
Section 7.4	Assessments	14
Section 7.5	Compliance With Governing Documents	14

ARTICLE VIII Association Records

Section 8.1	Records	14
Section 8.2	Inspection of Books and Records	15
Section 8.3	Resale Certificates	15

ARTICLE IX Indemnification and Insurance

Section 9.1	Indemnification	15
Section 9.2	Advance Payments	15
Section 9.3	Appearance as a Witness	16
Section 9.4	Indemnification of Employees and Agents	16
Section 9.5	Non-Exclusive	16
Section 9.6	Insurance	16

ARTICLE X Amendment of Bylaws

Section 10.1	Proposals	16
Section 10.2	Consents	16
Section 10.3	Effective	17
Section 10.4	Declarant Protection	17

ARTICLE XI General Provisions

Section 11.1	Contracts	17
Section 11.2	Checks, Drafts, etc.	17
Section 11.3	Depositories	17
Section 11.4	Corporate Seal	17
Section 11.5	Compensation	18
Section 11.6	Action by Non-Unanimous Written Consent	18
Section 11.7	Meetings by Conference Telephone	18
Section 11.8	Conflicting Provisions	18
Section 11.9	Severability	18
Section 11.10	Fiscal Year	19
Section 11.11	Waiver	19

ARTICLE XII Winding Up

Section 12.1	Winding Up	19
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BYLAWS
OF
HARBORVIEW OWNERS ASSOCIATION, INC.
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ARTICLE I

Purposes; Defined Terms

Section 1.1 Purposes of Association. Harborview Owners Association, Inc., a Texas nonprofit corporation and condominium association (the "Association"), is organized exclusively to exercise the rights and powers and to perform the duties and obligations of the Association in accordance with the Condominium Declaration for Harborview, to be recorded in the Real Property Records of Palo Pinto County, Texas (the "Declaration"), the Certificate of Formation of the Association (the "Certificate"), these bylaws (these "Bylaws" together with the Declaration and the articles referred to herein as the "Governing Documents"), and the laws of the State of Texas, as each may be amended from time to time.

Section 1.2 Purpose of Bylaws. These Bylaws provide for the governance of the condominium known as Harborview Owners Association, Inc., located in Palo Pinto County, Texas, subject to and more fully described in the Declaration (the "Condominium").

Section 1.3 Definitions. Capitalized terms not defined herein or in the Declaration shall have the meaning specified or used in the Uniform Condominium Act (Texas Property Code, Chapter 82) (the "Act").

ARTICLE II

Members

Section 2.1 Membership. The members of the Association (the "Members") shall consist solely of Harbor PK Partners, LLC. (the "Declarant") and its successors and assigns, and the owners of Units of the Condominium created by the Declaration.

Section 2.2 Annual Meeting. An annual meeting of the Members of the Association shall be held during the month of April of each year, or at such other time and place as the Board of Directors of the Association shall determine. At annual meetings, the Members may transact such other business of the Association as may properly come before them, and after the expiration of the period of Declarant Control (as defined in the Declaration), the Members shall elect directors of the Association ("Directors") in accordance with these Bylaws.

Section 2.3 Special Meetings. Except as otherwise provided by law or the Declaration, a special meeting of the Association may be called by the President, a majority of the members

of the Board of Directors, or by Members having at least twenty percent (20%) of the Voting Interests (as defined in the Declaration) entitled to be cast at such meeting. Such meeting shall be held within thirty (30) days after being called. No more than two special meetings may be held during any thirty-day period. Business transacted at any special meeting of Members shall be limited to the purposes stated in the notice of the meeting given in accordance with the terms of Section 2.5.

Section 2.4 Place of Meetings. Meetings of the Association shall be held at the Condominium or at a suitable place convenient to the Members, as determined by the Board of Directors.

Section 2.5 Notice of Meetings; Waiver. Notice of each meeting of Members, stating the place, day, and hour of any meeting and, in case of a special meeting of Members, the purpose or purposes for which the meeting is called, shall be given at least ten (10) days but not more than sixty (60) days prior to such meeting. Notices shall also set forth any other items of information deemed appropriate by the Board of Directors. If a Unit is owned by more than one person, notice to one co-owner shall be deemed notice to all co-owners. Notice may be given either personally, by electronic telecommunication, by facsimile transmission, or by mail, by or at the direction of the persons calling the meeting, to each Member. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, postage prepaid, addressed to the Member at the address shown on the Association's records. If transmitted by telecommunication or facsimile, notice shall be deemed delivered on successful transmission. Whenever any notice is required to be given to a Member, a written waiver of the notice, signed by the person or persons entitled to such notice, whether before or after the time stated in the notice, shall be equivalent to the giving of such notice. Attendance by a Member, whether in person or by proxy, at any meeting of the Association shall constitute a waiver of notice by such Member of the time, place, and purpose of such meeting. If all Members are present at any meeting of the Association, no notice shall be required and any business may be transacted at such meeting.

Section 2.6 Ineligibility. The Board of Directors may determine that no Member may (i) vote at meetings of the Association or (ii) be elected to serve as a Director if the Member's financial account with the Association is in arrears on the record dates provided below, provided each ineligible Member shall be given notice of the arrearage and an opportunity to become eligible. The Board of Directors may specify the manner, place, and time for payment for purposes of restoring eligibility.

Section 2.7 Record Dates.

(a) Determining Voting Eligibility. The Board of Directors shall fix a date as the record date for determining the Members entitled to vote at a meeting of the Association. The record date may not be more than sixty (60) days before the date of a meeting of the Association at which Members will vote.

(b) Determining Rights Eligibility. The Board of Directors shall fix a date as the record date for determining the Members entitled to exercise any rights other than those described in the preceding paragraph. The record date may not be more than sixty (60) days before the date of the action for which eligibility is required, such as

nomination to the Board of Directors.

(c) Adjournments. A determination of Members entitled to notice of or to vote at a meeting of the Association is effective for any adjournment of the meeting unless the Board of Directors fixes a new date for determining the right to notice or the right to vote. The Board of Directors must fix a new date for determining the right to notice or the right to vote if the meeting is adjourned to a date more than ninety (90) days after the record date for determining Members entitled to notice of the original meeting.

Section 2.8 Voting Members List. The Board of Directors shall prepare and make available a list of the Association's voting Members in accordance with Chapter 22 of the Texas Business Organizations Code.

Section 2.9 Quorum. At any meeting of the Association, the presence in person or by proxy of Members entitled to cast at least thirty percent (30%) of the Voting Interests (as defined in the Declaration) that may be cast shall constitute a quorum. Members present at a meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal, during the course of the meeting, of Members constituting a quorum.

Section 2.10 Votes. The vote of a majority of the Voting Interests (as defined in the Declaration) entitled to be cast by Members, whether present or represented by proxy at any meeting at which a quorum is present, shall be binding upon all Members for all purposes, unless the vote of a greater number is required by the Declaration, these Bylaws or by law. The number of votes that a Member is entitled to cast is set forth in Paragraph 13(c) of the Declaration. There shall be one (1) voting Member for each Unit. The right of a Member to vote at any meeting of the Association is subject to the following limitations:

(a) Co-Owned Units. If any Unit is owned by more than one person, other than a husband and wife, one of the owners of such Unit shall be designated, by a duly sworn certificate signed by all of the record owners of the Unit and filed with the secretary of the Association, as the voting Member for that Unit. Failure by all owners of a Unit (except in the case of a husband and wife who are the sole owners of the Unit) to file such a sworn certificate with the secretary of the Association prior to a Members' meeting shall result in depriving the owners of such Unit of a vote at such meeting. In the case where a husband and wife are the sole owners of the Unit, they need not designate the voting Member and either of them appearing at a meeting of the Members may, if there is no objection from the other, cast a vote for that Unit. The appearance at any meeting of any co-owner of a Unit shall constitute that Unit's presence for the purpose of establishing a quorum, whether or not the co-owner in attendance is authorized to vote.

(b) Entity-Owned Units. If a Unit is owned by a corporation or association, the officer, director, or agent entitled to vote shall be designated by a certificate signed by the appropriate officer or director of such entity and filed with the secretary of the Association. The vote of a partnership may be cast by any general partner of the owning partnership in the absence of express notice of the designation of a specific person by

the owning partnership. The vote of a limited liability company may be cast by any manager or managing member of the limited liability company in the absence of express notice of the designation of a specific person by the owning limited liability company. The person presiding over a meeting or vote may require reasonable evidence that a person voting on behalf of a corporation or Association is qualified to vote.

(c) Association-Owned Units. Voting Interests (as defined in the Declaration) allocated to a Unit owned by the Association may be cast by the President of the Association.

Section 2.11 Proxies. Voting Interests (as defined in the Declaration) allocated to a Unit may be cast in person or by written proxy. To be valid, each proxy shall (i) be signed and dated by a Member or his or her attorney-in-fact; (ii) identify the Unit to which the vote is appurtenant; (iii) name the person in favor of whom the proxy is granted, such person having agreed to exercise the proxy; (iv) identify the purpose or meeting for which the proxy is given; (v) not purport to be revocable without notice; and (vi) be delivered to the Secretary or to the person presiding over the Association meeting for which the proxy is designated. Unless the proxy specifies a shorter or longer time, it shall terminate one year after its date. To revoke a proxy, the granting Member must give actual notice of revocation to the person presiding over the Association meeting for which the proxy is designated. Unless revoked, any proxy designated for a meeting which is adjourned, recessed, or rescheduled shall be valid when such meeting reconvenes.

Section 2.12 Conduct of Meetings. The President, or any person designated by the Board of Directors, shall preside over meetings of the Association. The Secretary shall keep, or cause to be kept, the minutes of the meeting which shall record all resolutions adopted and all transactions occurring at the meeting, as well as a record of any votes taken at the meeting. The person presiding over the meeting may appoint a parliamentarian. The then-current edition of Robert's Rules of Order shall govern the conduct of all meetings of the Association when not in conflict with the Governing Documents. Votes shall be tallied by tellers appointed by the person presiding over the meeting.

Section 2.13 Order of Business. Unless the notice of meeting states otherwise, the order of business at meetings of the Association shall be as follows:

- (1) Determine votes present by roll call or check-in procedure
- (2) Announcement of quorum
- (3) Proof of notice of meeting
- (4) Reading and approval of minutes of preceding meeting
- (5) Reports
- (6) Election of Directors (when required and applicable)
- (7) Unfinished business
- (8) New business

Section 2.14 Adjournment of Meeting. At any meeting of the Association, the Voting Interest (as defined in the Declaration) of a majority of the Members present at that meeting, either in person or by proxy, may adjourn the meeting to another time.

ARTICLE III

Board of Directors

Section 3.1 General. The provisions of this Article III shall govern with respect to the Board of Directors.

Section 3.2 Powers and Duties. The Board of Directors shall have all the powers and duties necessary for the administration of the Association and for the operation and maintenance of the Condominium. The Board of Directors may do all such acts and things except those which, by law or the Governing Documents, are reserved to the Members and may not be delegated to the Board of Directors. In the performance of its duties as the governing body of the Association, the Board of Directors shall have all powers enumerated in Section 82.102 of the Act, and in addition to those powers and duties set forth in the Act and the Declaration, the Board of Directors shall have the powers including, but not limited to, the following:

- (a) administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations, and all other provisions set forth in the Declaration, these Bylaws and any supplements and amendments thereto or hereto;
- (b) enforce compliance with any rules adopted by the Association;
- (c) keep in good order, condition and repair all of the Common Elements and all items of common personal property used by the Members in the enjoyment of the Condominium Property;
- (d) insure all of the insurable Common Elements in accordance with the Declaration; insure all of the common fixtures, equipment, and personal property for the benefit of the Members and their first mortgagees; and obtain and maintain commercial general liability insurance covering the Condominium Property for bodily injury and property damage in accordance with the Declaration;
- (e) prepare a budget for the Condominium in accordance with the Declaration;
- (f) make and collect assessments, additional assessments and such other assessments as are provided for by the Act or the Declaration in accordance with the Declaration;
- (g) adjust the amount of the assessments and to levy and collect additional assessments in accordance with the Declaration;
- (h) collect delinquent assessments in accordance with the Declaration and to enjoin or seek damages from any Member who is in default of any of the provisions of the Declaration or these Bylaws;

(i) to the extent permitted by applicable law, enforce a per diem late charge as set by the Board of Directors from time to time and to collect interest at the rate of the lesser of eighteen percent (18%) per annum or the highest rate permitted by applicable law in connection with assessments remaining unpaid more than thirty (30) days from the due date for payment thereof, together with all expenses incurred, including, without limitation, attorneys' fees;

(j) protect and defend the Condominium Property from loss or damage, by suit or otherwise;

(k) borrow funds in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the Declaration and these Bylaws, and to execute all such instruments evidencing such indebtedness as the Board of Directors may deem necessary;

(l) enter into contracts within the scope of its duties and powers;

(m) establish a bank account or accounts for the common treasury and for all separate funds which are required or may be deemed advisable by the Board of Directors;

(n) make repairs, additions, alterations and improvements to the Common Elements consistent with managing the Condominium in a manner consistent with the Declaration and the best interests of the Members, and to contract for the making of such repairs, additions, alterations and improvements, whether with third parties or with affiliates of Harbor PK Partners, LLC. (the "Declarant");

(o) maintain full and accurate books and records showing all of the receipts, expenses, and disbursements and to permit examination thereof at any reasonable time by each of the Members, and to cause an independent audit of the books and accounts at least once a year;

(p) prepare and deliver annually to each Member a statement showing receipts, expenses, and disbursements since the last such statement;

(q) employ the personnel necessary for the maintenance and operation of the Common Elements;

(r) carry on the administration of the Association and to do all of those things necessary and reasonable in order to carry out the governing and the operation of the Condominium;

(s) maintain a reserve fund adequate for the periodic maintenance, repair and replacement of the Common Elements;

(t) maintain the Working Capital Fund in accordance with the Declaration;

- (u) prepare and record the certificate identified in Section 3.17 below;
- (v) pay all taxes and assessments levied or assessed against any property that may be owned by the Association, exclusive of any taxes or assessments levied against any Member or otherwise properly chargeable to the Member;
- (w) establish operating, escrow, reserve and other accounts in the name of the Association as the Board of Directors may deem appropriate from time to time;
- (x) maintain accounting records in accordance with generally accepted accounting principles;
- (y) employ and dismiss personnel of the Association, and purchase or arrange for those services, machinery, equipment, tools, materials and supplies as, in the option of the Board of Directors, may from time to time be necessary for the proper orientation and maintenance of the Common Elements;
- (z) employ or retain and receive advice from professional counsel and consultants which the Board of Directors may deem necessary for any proper purpose of the Association;
- (aa) invest monies of the Association in any investments which the Board of Directors deems to be reasonably prudent;
- (bb) acquire by purchase, gift, annexation or lease, real or personal property, if, at any time in the future, the Board of Directors deems it to be proper and not inconsistent with the terms of the Governing Documents;
- (cc) grant and reserve easements, leases, licenses or concessions where necessary or desirable for utilities, routes of ingress and egress, or any other purpose, over the Common Elements and to amend the Survey or Plot Plan to show such interests; and
- (dd) establish a form of estoppel certificate acceptable to the Association for delivery to prospective purchasers and lenders and an appropriate charge for furnishing such certificate.

Section 3.3 Number and Term of Office. The Board of Directors shall consist of three (3) members. During the period of Declarant Control (as defined in the Declaration), the Declarant may appoint and/or remove all members of the Board of Directors; provided, however, that not later than 120 days after the conveyance of 50% of the Units to owners other than the Declarant, one-third of the members of the Board of Directors must be elected by Members other than the Declarant at a special meeting of the Members called by the Declarant for such purpose.

Not later than 120 days after the conveyance of 75% of the Units to owners other than the Declarant, Declarant shall call a special meeting of the Members for the purpose of electing Directors, at which meeting three (3) members shall be elected to the Board of Directors, whose terms of office shall commence on the 121st day after the expiration of the

period of Declarant Control. One Director shall be appointed for a term of three (3) years, one Director shall be appointed for a term of two (2) years, and one Director shall be appointed for a term of one (1) year. Thereafter, upon the expiration of the term of office for a Director, the replacement Director shall be elected for a term of three (3) years.

At each annual meeting of the Members which occurs after the expiration of the period of Declarant Control, the Members shall elect a Director to serve a term of three (3) years to fill the position of the Director whose term will expire in the ensuing year. Such new Director shall take office upon the expiration of the term of office for the Director whose term will expire during the ensuing year and prior to the next annual meeting of Members, and such new Director, absent death, ineligibility, resignation, or removal, will hold office until his or her successor is duly elected or appointed.

The number of Directors may be changed by amendment of these Bylaws, but shall not be less than three (3).

Section 3.4 Qualification. Co-owners of a single Unit may not serve on the Board of Directors at the same time. Co-owners of more than one Unit may serve on the Board of Directors at the same time, provided the number of co-owners serving at one time does not exceed the number of Units they co-own. No Member may be elected or appointed as a Director if any assessment against the Member or such Member's Unit is delinquent at the time of election or appointment. No Member may continue to serve as a Director if any assessment against the Member or such Member's Unit is delinquent more than sixty (60) days.

Section 3.5 Election. Directors shall be elected in accordance with Section 3.3 above. Prior to the expiration of Declarant Control, Directors shall be appointed by the Declarant. After the period of Declarant Control, the election of Directors shall be conducted at the annual meeting of the Association, at any special meeting called for that purpose, or by mail, facsimile transmission, or a combination of mail and facsimile transmission.

Section 3.6 Vacancies. Prior to the expiration of the period of Declarant Control, vacancies on the Board of Directors shall be filled by the Declarant. After the expiration of the period of Declarant Control, vacancies on the Board of Directors shall be filled by a majority of the Voting Interests of a quorum of Members at a special meeting of the Members called for that purpose. Each Director so elected shall serve out the remaining term of his or her predecessor.

Section 3.7 Removal of Directors. Prior to the expiration of Declarant Control, any Director may be removed by the Declarant. After the expiration of Declarant Control, at any annual meeting or special meeting of the Members of the Association, any one or more of the Directors may be removed with or without cause by Members, whether present in person or by proxy at such meeting, representing at least two-thirds of the Voting Interests (as defined in the Declaration) entitled to be cast, and a successor shall immediately be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Members shall be given an opportunity to be heard at the meeting. No such opportunity to be heard shall be given to Directors removed by the Declarant during the Declarant Control Period.

Section 3.8 Organizational Meeting of the Board of Directors. At all times after the

expiration of Declarant Control, within ten (10) days after the annual meeting, the Director's shall convene an organizational meeting for the purpose of electing officers. The time and place of such meeting shall be fixed by the Board of Directors and announced to the Directors.

Section 3.9 Regular Meetings of the Board of Directors. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by the Board of Directors. After the expiration of the period of Declarant Control, at least one such meeting shall be held each calendar quarter. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by telephone or written communication, at least three days prior to the date of such meeting.

Section 3.10 Special Meetings of the Board of Directors. Special meetings of the Board of Directors may be called by the President or, if he or she is absent or refuses to act, the Secretary, or by any two (2) Directors. At least three (3) days' notice shall be given to each Director, personally or by telephone or written communication, which notice shall state the place, time, and purpose of such meeting.

Section 3.11 Conduct of Meetings. The Board of Directors, at each organizational meeting, shall appoint one of their number as President of the Board of Directors. The President of the Board of Directors shall preside over all meetings of the Board of Directors and the Secretary shall keep, or cause to be kept, a record of all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at such meetings. When not in conflict with law or the Governing Documents, the then-current edition of Robert's Rules of Order shall govern the conduct of the meetings of the Board of Directors.

Section 3.12 Quorum. At all meetings of the Board of Directors, a majority of Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If less than a quorum is present at any meeting of the Board of Directors, the majority of those present may adjourn the meeting from time to time. At any such reconvened meeting at which a quorum is present, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 3.13 Presumption of Assent. Any Director of the Association who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his or her dissent shall be entered in the minutes of the meeting and unless he or she shall file his or her written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

Section 3.14 Open Meetings. After the expiration of the period of Declarant Control, regular and special meetings of the Board of Directors shall be open to Members of the Association, but Members who are not Directors may not participate in any deliberations or discussions unless the Board of Directors expressly so authorizes such participation at the meeting. The Board of Directors may adjourn any meeting and reconvene in closed executive session to discuss and vote upon actions involving personnel, pending or threatened litigation,

contract negotiations, enforcement actions, matters involving the invasion of privacy of an individual Member, or matters that are to remain confidential by request of the affected parties and agreement of the Board of Directors. After the expiration of the period of Declarant Control, the nature of any and all business to be considered in closed executive session shall first be announced in open session.

Section 3.15 Appointment of Committees. The Board of Directors, by resolution, may from time to time designate standing or ad hoc committees to advise or assist the Board of Directors with its responsibilities. The resolution shall establish the purposes and powers of each committee created, provide for the appointment of its members, as well as a chairman, and provide for reports, termination, and other administrative matters deemed appropriate by the Board of Directors. After the expiration of the period of Declarant Control, members of committees shall be appointed from among the Members.

Section 3.16 Ex-Officio Directors. The Board of Directors may designate any one or more persons as ex-officio members of the Board of Directors. A person designated as an ex-officio member of the Board of Directors shall be entitled to notice of and to attend meetings of the Board of Directors. The ex-officio member shall not be entitled to vote unless otherwise provided in the Declaration or these Bylaws.

Section 3.17 Management Certificate. The Association shall record in the County a certificate, signed and acknowledged by an officer of the Association stating:

- (a) the name of the Condominium;
- (b) the name of the Association;
- (c) the location of the Condominium;
- (d) the recording data for the Declaration;
- (e) the mailing addresses of the Association, or the name of the mailing address of the person or entity managing the association; and
- (f) other information the Association considers appropriate.

Such certificate shall be recorded within thirty (30) days after the Association receives notice of a change in any of the information listed in (a) through (e) herein.

ARTICLE IV

Officers

Section 4.1 Designation. The officers of the Association shall be a President, Secretary, and Treasurer. After the expiration of the period of Declarant Control, the Board of Directors may appoint one or more Vice Presidents and such other officers and assistant officers as it deems necessary. Any two offices may be held by the same person, except the offices of President and Secretary. If an officer is absent or unable to act, the Board of Directors may appoint a Director to perform the duties of that officer and to act in place of that officer, on an interim basis.

Section 4.2 Election of Officers. During the period of Declarant Control, all officers shall be appointed and/or removed by the Declarant. After the expiration of the period of Declarant Control, the officers shall be elected no less than annually by the Directors at the organizational meeting of the Board of Directors and shall hold office at the pleasure of the Board of Directors. Except for resignation or removal, officers shall hold office until their respective successors have been designated by the Declarant (during the period of Declarant Control) or the Board of Directors (after the expiration of the period of Declarant Control).

Section 4.3 Removal and Resignation of Officers. During the period of Declarant Control, the Declarant may remove any officer, with or without cause. After the expiration of the period of Declarant Control, a majority of Directors may remove any officer, with or without cause, at any regular meeting of the Board of Directors or at any special meeting of the Board of Directors called for that purpose. After the expiration of the period of Declarant Control, a successor may be elected at any regular or special meeting of the Board of Directors called for that purpose. An officer may resign at anytime by giving written notice to the Board of Directors. Unless the notice of resignation states otherwise, it is effective when received by the Board of Directors and does not require acceptance by the Board of Directors. The resignation or removal of an officer who is also a Director does not constitute resignation or removal from the Board of Directors.

Section 4.4 President. As the chief executive officer of the Association, the President shall: (i) preside at all meetings of the Association; (ii) have all the general powers and duties which are usually vested in the office of President of a corporation organized under the laws of the State of Texas; (iii) have general supervision, direction, and control of the business of the Association, subject to the control of the Board of Directors; and (iv) see that all orders and resolutions of the Board of Directors are carried into effect.

Section 4.5 Secretary. The Secretary shall: (i) keep or cause to be kept the minutes of all meetings of the Board of Directors and of the Association; (ii) have charge of such books, papers, and records as the Board of Directors may direct; (iii) maintain or cause to be maintained a record of the names and addresses of the Members for the mailing of notices; (iv) prepare, execute and cause the recordation of amendments to the Declaration (approved in accordance with the Declaration) on behalf of the Association except when the preparation, execution and recordation thereof shall be delegated by the Board of Directors to another officer or agent of the Association; and (v) in general, perform all duties incident to the office of Secretary.

Section 4.6 Treasurer. The Treasurer shall: (i) be responsible for Association funds; (ii) keep or cause to be kept full and accurate financial records and books of account showing all receipts and disbursements; (iii) prepare or cause to be kept all required financial data and tax returns; (iv) deposit or cause to be deposited all monies or other valuable effects in the name of the Association in such depositories as may from time to time be designated by the Board of Directors; (v) prepare the annual and supplemental budgets of the Association; (vi) review the accounts of the managing agent on a monthly basis in the event such managing agent is responsible for collecting and disbursing Association funds; and (vii) perform all the duties incident to the office of Treasurer.

Section 4.7 Authorized Agents. Except when the Governing Documents require execution of certain instruments by certain individuals, the Board of Directors may authorize any person to execute instruments on behalf of the Association. In the absence of Board of Directors designation, the President and the Secretary shall be the only persons authorized to execute instruments on behalf of the Association.

ARTICLE V

Rules

Section 5.1 Rules. The Board of Directors shall have the right to establish and amend, from time to time, reasonable rules and regulations for: (i) the administration of the Association and the Governing Documents; (ii) the maintenance, management, operation, use, conservation, and beautification of the Condominium; and (iii) the health, comfort, and general welfare of the Members of the Association; provided, however, that such rules may not be in conflict with law or the Governing Documents. The Board of Directors shall, at all times, maintain the then-current and complete rules in a written form which can be copied and distributed to the Members. Rules need not be recorded in the Palo Pinto County real property records.

Section 5.2 Adoption and Amendment. Any rule may be adopted, amended, or terminated by the Board of Directors, provided that the rule and the requisite Board of Directors approval are properly recorded as a resolution in the minutes of the meeting of the Board of Directors.

Section 5.3 Notice and Comment. The Board of Directors shall give written notice to each Member of any amendment, termination, or adoption of a rule, or shall publish same in a newsletter or similar publication which is circulated to the Members, at least ten (10) days before the rule's effective date. Any Member so notified shall have the right to comment orally or in writing to the Board of Directors on the proposed action.

Section 5.4 Distribution. Upon request from any Member or Resident, the Board of Directors shall provide a current and complete copy of rules. Additionally, the Board of Directors shall, from time to time, distribute copies of the current and complete rules to each Member.

ARTICLE VI

Enforcement

Section 6.1 Enforcement. The violation of any provision of the Governing Documents shall give the Board of Directors the right, after notice and hearing, except in case of an emergency, in addition to any other rights set forth in the Governing Documents:

(a) to enter the Unit or Limited Common Element in which, or as to which, the violation or breach exists and to summarily abate and remove, at the expense of the defaulting owner, any structure, thing, or condition (except for additions or alterations of a permanent nature that may exist in that Unit) that is existing and creating a danger to the Common Elements contrary to the intent and meaning of the provisions of the Governing Documents. The Board of Directors shall not be deemed liable for any manner of trespass by this action; or

(b) to enjoin, abate, or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach.

ARTICLE VII

Obligations of the Members

Section 7.1 Proof of Ownership. Except for those owners who initially purchase a Unit from Declarant, any person, on becoming a Member, shall furnish to the Board of Directors evidence of ownership in the Unit, which copy shall remain in the files of the Association. A Member shall not be deemed to be in good standing nor be entitled to vote at any annual or special meeting of the Association unless this requirement is first met. This requirement may be satisfied by receipt of a Board of Directors-approved form that is completed and acknowledged by a title company or closing attorney at time of conveyance of the Unit or any interest therein. The Association shall be entitled to charge a reasonable fee for the registration of the transfer of ownership.

Section 7.2 Members' Addresses. Not later than the 30th day after the date of acquiring an interest in a Unit, the Member shall provide the Association with: (i) the Member's mailing address, telephone number, and driver's license number, if any; (ii) the name and address of the holder of any lien against the Unit, and any loan number; (iii) the name and telephone number of any person occupying the Unit other than the Member; and (iv) the name, address, and telephone number of any person managing the Unit as agent of the Member. A Member shall notify the Association not later than the 30th day after the date the Member has notice of a change in any of the foregoing information, and shall provide the information on request by the Association from time to time. If a Member fails to maintain a current mailing address with the Association, the address of that Member's Unit shall be deemed to be his or her mailing address.

Section 7.3 Registration of Mortgagees. A Member who mortgages his or her Unit shall furnish the Board of Directors with the name and mailing address of his or her

mortgagee.

Section 7.4 Assessments. All Members shall be obligated to pay assessments imposed by the Association to meet the Common Expenses (as defined in the Declaration). A Member shall be deemed to be in good standing and entitled to vote at any meeting of the Association if he or she is current in the assessments made or levied against him or her and his or her Unit.

Section 7.5 Compliance with Governing Documents. Each Member shall comply with the provisions and terms of the Governing Documents, and any amendments thereto. Further, each Member shall always endeavor to observe and promote the cooperative purposes for which the Condominium was established.

ARTICLE VIII Association Records

Section 8.1 Records. The Association shall use its best efforts to keep the following records:

- (a) Minutes or a similar record of the proceedings of meetings of the Association.
- (b) Minutes or a similar record of the proceedings of meetings of the Board of Directors.
- (c) The name and mailing address of each Member, the currency and accuracy of the information being the responsibility of the Members.
- (d) The name and mailing address of each mortgagee, the currency and accuracy of the information being the responsibility of each Member and such Member's mortgagee.
- (e) Financial records and books of account for the Association that comply with generally accepted accounting principles and that are sufficiently detailed to enable the Association to prepare a resale certificate as provided for in the Act.
- (f) The plans and specifications used to construct the Condominium.
- (g) The plans and specifications acquired by the Association over time for improvements to the Condominium.
- (h) The Condominium Information Statement and any amendments thereto.
- (i) Voting records, proxies, and correspondence relating to amendments to the Declaration.
- (j) Copies of income tax returns prepared for the Internal Revenue Service.

(k) Copies of the Governing Documents and all amendments to any of these. Also, for at least four years, a record of all votes or written consents by which amendments to the Governing Documents were approved.

Section 8.2 Inspection of Books and Records. A Member, on written demand stating the purpose of the demand, has the right to examine and copy, in person or by agent, accountant, or attorney, at any reasonable time, for any proper purpose, the books and records of the Association relevant to that purpose, at the expense of the Member.

Section 8.3 Resale Certificates. Any officer of the Association may prepare, or cause to be prepared, certify, and execute resale certificates in accordance with Section 82.157 of the Act. The Association may charge a reasonable fee for preparing a resale certificate. The Association may refuse to furnish a resale certificate until the fee is paid. Any unpaid fees may be assessed against the Unit for which the resale certificate is furnished.

ARTICLE IX

Indemnification and Insurance

Section 9.1 Indemnification. Each person who is or was a Director, officer, or committee member of the Association, or any person who, while a Director, officer, or committee member of the Association, is or was serving at the request of the Association as a Director, officer, committee member, partner, venturer, proprietor, employee, agent, or similar functionary of another foreign or domestic corporation, association, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise, and the heirs, executors, or administrators or estate of such person, shall be indemnified by the Association to the fullest extent permitted or authorized by the Act or any successor provision, as amended from time to time, against any liability, cost, or expense incurred by such person in his or her capacity as a Director, officer, or committee member, or arising out of his or her status as a Director, officer, or committee member. The rights granted pursuant to this Article IX shall be deemed contract rights, and no repeal or amendment of this Article IX shall have the effect of limiting or denying any such rights with respect to actions taken or proceedings arising prior to any such amendment or repeal.

Section 9.2 Advance Payments. The Association may, but shall not be obligated to, pay expenses incurred in defending a civil or criminal act, suit or proceeding arising out of a Director's, officer's, or committee member's capacity or status as Director, officer, or committee member in advance of the final disposition of such action, suit, or proceeding, without any determination as to the person's ultimate entitlement to indemnification; provided, however, that the payment of such expenses incurred by any such person in advance of the final disposition of a proceeding shall be made only upon delivery to the Association of both a written affirmation by such person of his or her good-faith belief that he or she has met the standard of conduct necessary for indemnification under this Article IX and a written undertaking, by or on behalf of such person, to repay all amounts so advanced if it is ultimately determined that such person is not entitled to be indemnified under this Article IX or otherwise.

Section 9.3 Appearance as a Witness. Notwithstanding any other provision of this Article IX, the Association may, but shall not be obligated to, pay or reimburse expenses incurred by a Director, officer or committee member in connection with his or her appearance as a witness or other participation in a proceeding at a time when he or she is not a named defendant or respondent in the proceeding.

Section 9.4 Indemnification of Employees and Agents. The Association, by adoption of a resolution of the Board of Directors, may, but shall not be obligated to, indemnify and advance expenses to an employee or agent of the Association to the same extent and subject to the same conditions under which the Association may indemnify and advance expenses to Directors, officers and committee members under this Article IX.

Section 9.5 Non-Exclusive. The indemnification provided by this Article IX shall not be exclusive of any other rights to which those seeking indemnification may be entitled as a matter of law or under any agreement or otherwise.

Section 9.6 Insurance. The Association may, but shall not be obligated to, maintain insurance at its expense, to protect itself and any person who is or was a Director, officer, committee member, employee, or agent of the Association or is or was serving at the request of the Association as a Director, officer, committee member, partner, venturer, proprietor, employee, agent, or similar functionary of another foreign or domestic corporation, Association, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise against any liability asserted against him or her and any liability, cost, or expense incurred by him or her in such capacity or arising out of his or her status as such a person, whether or not the Association would have the power to indemnify such person against that liability under this Article IX or the Act.

ARTICLE X

Amendment of Bylaws

Section 10.1 Proposals. During the period of Declarant Control, the Declarant may amend these Bylaws as determined in its sole discretion; provided, that the Declarant shall give notice of the amended Bylaws to the Members within 30 days after such amendment. After the expiration of the period of Declarant Control, the Association shall provide each Member with a detailed description, if not exact wording, of any proposed amendment. Such description shall be included in the notice of any annual or special meeting of the Association if such proposed amendment is to be considered at said meeting. After the expiration of the period of Declarant Control, Members must be given notice of the meeting required by this Section 10.1 not less than ten (10) nor more than twenty (20) days preceding the date of the meeting.

Section 10.2 Consents. After the expiration of the period of Declarant Control, except as otherwise provided by law or the Declaration, an amendment shall be adopted by the affirmative vote of the majority of the Board of Directors or the affirmative vote, in person or by proxy, or written consents of Members representing at least a majority of the Voting Interests (as defined in the Declaration) entitled to be cast at a meeting for which a quorum is

obtained.

Section 10.3 Effective. After the expiration of the period of Declarant Control, to be effective, each amendment must be in writing, reference the names of the Condominium and the Association, be signed by at least two officers acknowledging the requisite approval of Members, and be delivered to each Member at least ten (10) days before the amendment's effective date. Further, if these Bylaws are publicly recorded, the amendment must recite the recording data for the Bylaws, be in a form suitable for recording as a real property record, and be delivered to the county clerk for recordation.

Section 10.4 Declarant Protection. As long as the Declarant owns a Unit in the Condominium, no amendment of these Bylaws may affect the Declarant's rights herein without the Declarant's written and acknowledged consent. Specifically, this Section 10.4 may not be amended without prior written approval of the Declarant. The Declarant's written consent shall be part of the amendment instrument.

ARTICLE XI

General Provisions

Section 11.1 Contracts. The President shall have the power and authority to execute, on behalf of the Association, contracts or instruments in the usual and regular course of business, and in addition the Board of Directors may authorize any officer or officers, agent or agents, of the Association to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances. Unless so authorized by the Board of Directors or these Bylaws, no officer, agent, or employee shall have any power or authority to bind the Association by any contract or engagement, or to pledge its credit or to render it pecuniarily liable for any purpose or in any amount.

Section 11.2 Checks, Drafts, etc. All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Association shall be signed by such officers, agents or employees of the Association as shall from time to time be authorized pursuant to these Bylaws or by resolution of the Board of Directors.

Section 11.3 Depositories. All funds of the Association shall be deposited from time to time to the credit of the Association in such banks or other depositories as the Board of Directors may from time to time designate, and upon such terms and conditions as shall be fixed by the Board of Directors. The Board of Directors may from time to time authorize the opening and maintaining within any such depository as it may designate, of general and special accounts, and may make such special rules and regulations with respect thereto as it may deem expedient.

Section 11.4 Corporate Seal. The corporate seal, if any, shall be in such form as the Board of Directors shall approve, and such seal, or a facsimile thereof, may be impressed on, affixed to, or in any manner reproduced upon, instruments of any nature required to be executed by officers of the Association.

Section 11.5 Compensation. A dividend may not be paid to, and no part of the income of the Corporation may be distributed to the Members, Directors, or officers. The Association may: (1) pay compensation in a reasonable amount to the Members, Directors, or officers of the Association for services provided; (2) confer benefits on the Members in conformity with the Association's purposes; and (3) make distributions to the Members on winding up and termination to the extent authorized by Chapter 22 of the Texas Non-profit Corporation Law.

Section 11.6 Action by Non-Unanimous Written Consent. Unless otherwise restricted by law, the Certificate or these Bylaws, any action required or permitted to be taken at any meeting of the Members, members of the Board of Directors, or members of any committee of the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action to be so taken, is signed by a sufficient number of Members, members of the Board of Directors, or committee members as would be necessary to take that action at a meeting at which all of the Members, members of the Board of Directors, or committee members were present and voted. Such written consent shall bear the date of the signature of each Member, member of the Board of Directors, or committee member who signs the consent, and such written consent shall not be effective unless, within sixty (60) days after the date of the earliest dated consent, a consent or consents signed by the required number of Members, members of the Board of Directors, or committee is delivered to the Association. Delivery shall be by hand, overnight courier or certified or registered mail, return receipt requested. Prompt notice of the taking of any action by Members, members of the Board of Directors, or committee members without a meeting by less than unanimous written consent shall be given to all Members, members of the Board of Directors or committee members who did not consent in writing to the action. This Section may not be used to avoid the requirement of an annual meeting.

Section 11.7 Meetings by Conference Telephone. The Members, members of the Board of Directors, or members of any committee of the Board of Directors may participate in and hold a meeting of the Members, members of the Board of Directors, or committee members by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in such meeting shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Section 11.8 Conflicting Provisions. If any provision of these Bylaws conflicts with any provision of the laws of the State of Texas, such conflicting Bylaws provision shall be null and void, but all other provisions of these Bylaws shall remain in full force and effect. In the case of any conflict between the Certificate and these Bylaws, the Certificate shall control. In the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

Section 11.9 Severability. Invalidation of any provision of these Bylaws, by judgment or court order, shall in no wise affect any other provision which shall remain in full force and effect. The effect of a general statement shall not be limited by the enumerations of specific matters similar to the general.

Section 11.10 Fiscal Year. The fiscal year of the Association shall be set by resolution of the Board of Directors, and is subject to change from time to time as the Board of Directors shall determine. In the absence of a resolution by the Board of Directors, the fiscal year shall be the calendar year.

Section 11.11 Waiver. No restriction, condition, obligation, or covenant contained in these Bylaws shall be deemed to have been abrogated or waived by reason of failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

ARTICLE XII

WINDING UP

Section 12.1 Winding Up. The Association may wind up and terminate as provided in Chapter 22 of the Texas Business and Organizations Code.

(a) If the Association is to wind up, its assets shall be liquidated, and its affairs shall be wound up as soon as practicable thereafter by the Board of Directors. The Board of Directors shall arrange, either by themselves or through others, for the collection and disbursement to the Members of any future receipts from the Association or other sums to which the Association may be entitled, or may sell the Association's interest in any property of the Association to any person on such terms and for such consideration as shall be consistent with obtaining the fair market value thereof.

(b) Upon the winding up of the Association, after all liabilities and obligations of the Association are paid, satisfied and discharged in accordance with the Law, the property of the Association shall be applied and distributed as follows:

(1) property held by the Association on a condition requiring return, transfer, or conveyance because of the winding up or termination shall be returned, transferred or conveyed in accordance with that requirement; and

(2) the remaining property shall be distributed equally among the members.

(c) Upon a winding up, a reasonable time shall be allowed for the orderly liquidation of the assets of the Association and the discharge of liabilities to creditors so as to minimize the losses normally attendant to a winding up.

(d) Any payments made to any Member pursuant to paragraph (b) above may be made in cash or, if approved by the Directors, in property, tangible or intangible, or partially in cash and partially in such property in the sole discretion of the Directors.

CERTIFICATE

I HEREBY CERTIFY that the foregoing is a true, complete, and correct copy of the Bylaws of Harborview Owners Association, Inc., a Texas nonprofit corporation, as adopted by the initial Board of Directors, at its organizational meeting on the 30th day of July, 2020

IN WITNESS WHEREOF, I hereunto set my hand this the 30th day of July 2020

HARBORVIEW OWNERS ASSOCIATION, INC.

By: [Signature]
Printed Name: Grant May
Its: Secretary

THE STATE OF TEXAS

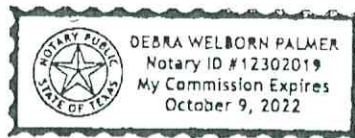
COUNTY OF PALO

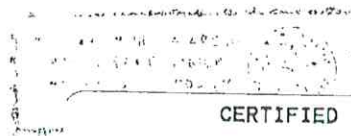
PINTO

Before me, the undersigned authority, on this 30th day of July, 2020 personally appeared as secretary of Harborview Owners Association, Inc., known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same on behalf of the Association.

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

#256461v5/36012-3





CERTIFIED FILED AND RECORDED
OFFICIAL PUBLIC RECORDS



Janette Green

Janette K. Green Palo Pinto County Clerk
Palo Pinto County, TX
09/18/2020 11:15 AM
Fee: \$118.00
2020-00005196 MISC
B: OR V: 2336 P: 91