

**BYLAWS  
OF  
HARBOR LAKES HOMEOWNERS ASSOCIATION, INC.**

**ARTICLE I**

**NAME AND LOCATION**

The name of the corporation is Harbor Lakes Homeowners Association, Inc. hereinafter referred to as the "Association". The principal office of the Association shall be initially located at 5495 Beltline Road, Suite 225, Dallas, Texas 75240 but meetings of members and directors may be held at such places within the State of Texas, Counties of Hood, Tarrant of Dallas, as may be designated by the Board of Directors. Lumbermen's Investment Corporation at 5495 Beltline Road, Suite 225, Dallas, Texas 75240, constitutes the initial registered agent and office, respectively, of the Association.

**ARTICLE II**

**DEFINITIONS**

Section 1. "Association" shall mean and refer to Harbor Lakes Homeowners Association, Inc., a Texas Non-Profit Corporation, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Harbor Lakes recorded in Volume 1755, Pages 738, of the Real Property Records of Hood County, Texas, and such additions thereto as may be brought within the jurisdiction of the Association under the provisions of said Declaration or the Charter of the Association.

Section 3. "Common Area" shall mean all real property conveyed by the Declarant to, and owned by, the Association for the common use and enjoyment of the Owners as more particularly set forth in the Declaration.

Section 4. "Lot" shall mean and refer to that portion of any of the plots of land shown upon any recorded subdivision map of the Properties of any part thereof creating single-family homesites on which there is or will be built a single-family dwelling. There is excepted herefrom the Common Area along with other reserves as may be noted on said subdivision maps:

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Declarant" shall mean and refer to Lumbermen's Investment Corporation, a Delaware corporation, and its successors and assigns who are designated as such in writing by Declarant, who accept such designation in writing.

Section 7. "Declaration" shall mean and refer to the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Harbor Lakes applicable to the Properties recorded in Volume 1755, Page 738, of the Real Property Records of Hood County, Texas.

**ARTICLE III**

**MEMBERSHIP**

Section 1. Membership. Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, including contract sellers, shall be a member of the Association. Class A members shall be all of the Owners with the exception of Declarant and Class B members shall be Declarant. The foregoing is not intended to include persons or entities who hold interest merely as security for the performance of an obligation. No owner shall have more than one membership. Membership shall be appurtenant to and may not be separate from ownership of any Lot which is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification for membership.

Section 2. Non-Resident Membership. Subject to the terms of the Declaration, in the event the golf course immediately adjacent to the Swim Club and tentatively known as Harbor Lakes Golf Club (the "Golf Club") becomes a private membership club or a semi-private membership club, the Golf Club shall have the right to designate up to 750 of its full paying dues members to be Non-Resident Members of the Association with the right to use the Swim Club and its attendant facilities, subject however to payment of the Annual General Assessments and Special Swim Club Assessments and subject to the rules and regulations of the Association promulgated from time to time. If at any time the Golf Club ceases to be a private membership club or semi-private membership club, then in such event there shall be no Non-Resident Members and no one other than Class A and Class B members of the Association and their immediate family and guests as permitted by the Bylaws or the rules of the Association shall be permitted to use the Swim Club Facilities, except as otherwise provided in this Restated Declaration. Non-Resident Members are not entitled to notice of regular or special meeting of the Members and shall not be entitled to participate in Association Meetings unless the Board of Directors or a majority of the Class A and Class B Members present at the meeting vote to permit a Non-Resident Member to participate in such meeting.

Section 3. Suspension of Membership. During any period in which a member shall be in default in the payment of any annual or special assessment levied by the Association, the voting rights and right to use of the recreational facilities of such member may be suspended by the Board of Directors until such assessment has been paid. Such rights of a member may also be suspended after notice and hearing, for a period not to exceed 60 days, for violation of any rules and regulations established by the Board of Directors governing the use of the Common Area and facilities.

**ARTICLE IV**

**PROPERTY RIGHTS: RIGHTS OF ENJOYMENT**

Section 1. Each Class A and Class B member shall be entitled to the use and enjoyment of the Common Areas as provided in the Declaration. Any Class A and Class B member may delegate his rights of enjoyment of the Common Area and facilities to the Class A and Class B members of his family, his tenants or contract purchasers, who reside on the property. Such Class A and Class B member shall notify the Secretary of the Association in writing of the name of any such delegee. The rights and privileges of such delegee are subject to the same extent as those of the member.

Section 2. Each Non-Resident Member shall be entitled to use and enjoy the Swim Club Facilities as provided in the Declaration; however, a Non-Resident Member's right to use the Swim Club Facilities is a contractual right only and is subject to the terms of the Declaration, these Bylaws and the rules and regulations of the Association. Non-Resident Members have no property rights with respect to the Swim Club Facilities.

**ARTICLE V**

**BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE**

Section 1. Number. The affairs of the Association shall be managed by a Board of three (3) Directors, who need not be members of the Association.

Section 2. Election. At the first annual meeting the members, the Class A and Class B members shall elect one (1) director for a term of one (1) year, one (1) director for a term of two (2) years, and one (1) director for a term of three (3) years; and at each annual meeting thereafter the members shall elect the director(s) for a term of three (3) years to fill each expiring term. Any vacancy in the initial Board of Directors which occurs prior to the first annual meeting of the members shall be filled by election by the remaining Directors. The initial three (3) members of the Board of Directors shall be designated in the Articles of Incorporation of the Association. Non-Resident Members have no voting rights.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the entire Class A membership and the entire Class B membership of the Association. In the event of death, resignation or removal of a director, his successors shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

**ARTICLE VI**

**MEETING OF DIRECTORS**

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly without notice, at such place (or by telephonic conference) and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two (2) directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

**ARTICLE VII**

**NOMINATION AND ELECTION OF DIRECTORS**

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting by the Class A and Class B members. The Nominating Committee shall consist of a Chairman, who shall be a

member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members and non-members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot cast at the annual meeting. At such election, the Class A and Class B members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

**ARTICLE VIII**

**POWERS AND DUTIES OF THE BOARD OF DIRECTORS**

Section 1. Powers. The Board of Directors shall have the power, for and on behalf of the Association;

- (a) To adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) To exercise for the Association all power, duties and authority vested in or delegated to this Association and are not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation or the Declaration;
- (c) To declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors without just cause having been furnished to and accepted by the Board;
- (d) To establish, and disburse and maintain such petty cash fund as necessary for efficiently carrying on the business of the Association;
- (e) To engage the services of a manager, an independent contractor, or such employees as it deems necessary, and to prescribe the conditions, compensation and duties of their work. Such power shall include authority to enter into management agreements with other parties to manage, operate or perform all or any part of the affairs and business of the Association;
- (f) To establish and maintain a working capital and/or contingency fund for capital repairs to and replacement of the Common Area, or any part thereof;
- (g) To sue and/or defend in any court of law on behalf of the Association;
- (h) To establish and collect penalties and fines for defaults by Owners under these Bylaws or the Declaration;
- (i) To acquire and maintain the Common Area and to grant easements, licenses or other rights in, on, over and/or across such properties;

- (j) To enter into contracts for legal, accounting and other professional services;
- (k) To establish and maintain one or more bank accounts;
- (l) To delegate any of its rights, powers or duties to committees, managers or contractors who are competent to exercise the rights and powers and/or perform the duties so delegated;
- (m) To generally provide for maintenance and preservation of the Properties and the Common Areas and promote the health, safety and welfare of the Owners and to take such acts in connection therewith as the Board deems necessary;
- (n) To prescribe reasonable regulations, fines and policies governing access to and use of the Common Areas, and to charge reasonable expense reimbursements and/or deposits (e.g., key, access card and/or radio transmitter device deposits) related to the access, use, operation and maintenance of the Common Properties;
- (o) To enter into and execute contracts with the owner-operators of any community antenna television system ("CATV") or other similar operations for the purpose of extending cable or utility or security service on, over or under the Common Properties to ultimately provide service to one or more of the Lots;
- (p) To grant permits, licenses and easements over the Common Areas for utilities, roads and other purposes necessary for the proper operation of utilities and services reasonable and necessary for the enjoyment of the residential homeowners;
- (q) To establish and maintain a working capital and/or contingency fund for repair, maintenance and replacement of the sidewalks and alley network within the Common Areas or any part thereof; and
- (r) To establish rules and regulations for the use of the Swim Club and the rights and privileges of the Non-Resident Members.

Section 2. Duties. It shall be the duty of the Board of Directors:

- (a) To cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members or at any special meeting, when such statement is requested in writing by one-fourth (1/4) of the Class A Members who are entitled to vote;
- (b) As more fully provided herein, and in the Declaration:
  - (1) In the event the amount of any annual assessment permitted under the Declaration (including but not limited to General Annual Assessments and Waterway Assessments) shall change, the Board of Directors shall fix the amount of any such annual assessment (30) days in advance of the applicable annual assessment period, as hereinafter provided in Article XII, and
  - (2) To send written notice of each such assessment to every Owner and Non-Resident Member subject thereto at least thirty (30) days in advance of the applicable annual assessment period;

(c) To issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether any assessment has been paid. A reasonable charge may be made by the Board of Directors for the issuance of these certificates. Such certificates shall be conclusive evidence of any assessment therein stated to have been paid;

(d) To procure and maintain adequate liability and hazard insurance on property owned by the Association:

(e) To cause all officers, employees or agents, having fiscal responsibility to be bonded, as it may deem appropriate;

(f) To cause the Common Area to be maintained, repaired and replaced, including, but not limited to the entry way features, gate houses, landscaping, streets, sidewalks and alley network within the Common Areas; and.

(g) To designate from time to time by Board Resolution such officer or officers as it deems necessary to sign and deliver checks and execute promissory notes on behalf of the Association.

Section 3. Use of Common Areas. The Association shall have the power and authority to prescribe rules and regulations applicable to the Common Areas. No person or entity shall use any portion of the Common Areas to:

- (a) solicit, promote or conduct business, religious, political or propaganda matters;
- (b) distribute handbills, newsletters, flyers, circulars or other printed materials;
- (c) display or install signs, flags or banners,

without the prior written consent of the Association (which consent may be withheld in its sole and absolute discretion).

Section 4. Community Services Arrangements. The Association may from time to time arrange for the employment and utilization of unarmed community services personnel. Although the existence and visibility of community services personnel may discourage the commission of criminal acts (e.g., burglary, theft, etc.) within the Property, nevertheless, neither the Declarant nor the Association will warrant or guarantee that: (a) the community services personnel are sufficient and adequate to diminish or eliminate the commission of crimes against persons or property; and (b) such acts will not be attempted or actually occur within the Property. Any community services arrangements are not designed or intended to replace the conventional police and fire protection and paramedical services available from the City of Granbury.

Each Owner, tenant and Non-Resident Member expressly understands, covenants and agrees with the Association that:

(a) Neither Declarant nor the Association have any responsibility or liability of any kind or character whatsoever regarding or pertaining to the real and personal property of each owner, tenant, member and invitee;

(b) Each Owner, tenant and Non-Resident Member should, from time to time and at various times, consult with reputable insurance industry representatives of each Owner's, tenant's and Non-Resident Member's own selection to consider, purchase, obtain and maintain appropriate insurance providing the amount, type and kind of

insurance deemed satisfactory to each Owner, tenant and Non-Resident Member covering his or her real and/or personal property;

(c) Each Owner, tenant and Non-Resident Member releases and holds Declarant and the Association harmless from any uninsured liability, claims, causes of action or damages of any kind or character whatsoever arising out of or related (directly or indirectly) to any and all aspects of the community services system and private streets within the Property, including, without limitation:

- (1) the interviewing, hiring, training, licensing (if any), bonding (if any) and employment of community services personnel (if any);
- (2) the instructions, directions and guidelines issued to or by the community services personnel (if any);
- (3) the duties, performance, actions, inactions or omission of or by the community services personnel (if any); and

(d) Each Owner, tenant, Non-Resident Member and invitee will cooperate with the Declarant and the Association in connection with the establishment, evolution and maintenance of reasonable controls on the pedestrian and vehicular and watercraft traffic into and within the Property and abide by any and all rules and regulations of the Association, as adopted and promulgated from time to time, related to the entry upon and use of any private streets and other Common Areas within the Property.

## ARTICLE IX

### COMMITTEES

Section 1. The Association shall appoint a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors may appoint other committees as deemed appropriate in carrying out its purposes, which may include for example, but not by way of limitation, the following:

(a) A Recreation Committee to advise the Board of Directors on all matters pertaining to the recreational program and activities of the Association and to perform other such functions as the Board in its discretion determines;

(b) A Maintenance Committee to advise the Board on all matters pertaining to the maintenance, repair or improvement of the Properties, and to perform such other functions as the Board in its discretion determines;

(c) A Publicity Committee to inform the members of all activities and functions of the Association and after consulting with the Board, to make such public releases and announcements as are in the best interest of the Association;

(d) An Audit Committee to supervise the annual audit of the Association's books and approve the annual budget and statement of income and expenditures to be presented to the membership at its annual meeting, as provided in Article XI, Section 8(d). The Treasurer shall be an ex-officio member of this committee when formed; and

(e) A Harbor Committee to advise the Board on all matters pertaining to the canals, waterways, bulkheads, sea walls, piers, docks, moorings and boathouses and to perform such other functions as the Board in its discretion determines.

Section 2. It shall be a function of each committee to receive complaints from members on any matter involving Association duties and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, director or officer of the Association as is further concerned with the matter presented.

## ARTICLE X

### MEETINGS OF CLASS A AND CLASS B MEMBERS

Section 1. Annual Class A and Class B Meetings. The first annual meeting of the Class A and Class B members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Class A and Class B members shall be held in the same month of each year thereafter, on the day and at the hour reasonably designated in the notice of such meeting given pursuant to Section 3 of this Article X.

Section 2. Special Class A and Class B Meetings. Special meetings of the Class A and Class B members may be called at any time by the president or by the Board of Directors, or upon written request of the Class A and Class B members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A and Class B membership or Class A Members who are entitled to vote one-fourth (1/4) of the votes of the Class A membership.

Section 3. Notice of Class A and Class B Meetings. Except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws, written notice of each meeting of the Class A and Class B members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage paid, at least 15 days before such meeting to each Class A and Class B member entitled to vote thereat, addressed to the Class A and Class B member's address last appearing on the books of the Association, supplied by such Class A and Class B member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of the Class A and Class B members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership (excluding the Non-Resident Members) shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Class A and Class B members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid, shall be present to be represented.

Section 5. Proxies. At all meetings of the Class A and Class B members, each Class A and Class B member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Class A and Class B member of his Lot.

## ARTICLE XI

### OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first annual meeting of the Board following each annual meeting of members.



Section 3. Term. The officers of this Association shall be elected annually by the Board and shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein; the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled in the manner prescribed for regular election. The officer elected to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any the other offices except in case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President

(a) The President shall preside at all meetings of the Board; shall see that orders and resolutions of the Board are carried out, shall sign all leases, mortgages, deeds, and other written instruments and shall co-sign all checks and promissory notes.

Vice-President

(b) The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board; keep proper books of account; as from time to time directed by the Board of Directors to cause the annual report of the Association books to be made at the completion of each fiscal year; and shall prepare an annual budget and a statement of

income and expenditures to be presented to the membership at its regular annual meeting and deliver a copy to the members.

**ARTICLE XII**

**ASSESSMENTS**

Section 1. Creation of the Lien and Personal Obligation of Assessments. By the Declaration each Class A member is deemed to covenant and agree to pay to the Association: (i) the Annual General Assessment charges, (ii) the Special Assessments for capital improvements, (iii) the Special Swim Club Assessment; (iv) the Annual Waterway Assessments (provided the Class A member is an Owner of a Waterway Lot as defined in the Declaration), (v) the Special Waterway Assessments, (vi) any special individual assessments and (vii) any individual fines (collectively the "Assessments"). Each Non-Resident Member covenants and agrees to pay to the Association the Assessments described in (i), (iii), (vi) and (vii) above. With respect to a member who is an Owner, the Assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall run with the land and be a continuing lien upon the property against which each such Assessment is made. Each applicable Assessment, together with such interest, costs and reasonable attorneys' fees shall also be the personal obligation of each Non-Resident Member and a personal obligation of each person who was the Owner of such property at the time the Assessment fell due and shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The Assessments levied by the Association, except as otherwise set forth in the Declaration, shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents in the Properties and for the improvement and maintenance of the Common Area owned by the Association and areas affecting the Units situated upon the Properties.

Section 3. Assessments. The provisions regarding each category of assessment including initial assessments are specifically set forth in Sections 3, 3.A, 3.B, 4 and 5 of the Declaration which is incorporated herein.

Section 4. Exempt Property. All properties dedicated to and accepted by a local public authority; and all property designated as Common Area; and all properties owned by a charitable or nonprofit organization are exempt from the Assessment created herein. However, no land or improvements devoted to dwelling use shall be exempt from said Assessments.

Section 5. Miscellaneous.

(a) The proceeds of the regular Annual General Assessments shall not be used to reimburse Declarant for any capital expenditures incurred in construction or other improvements of common facility, nor for the operation or maintenance of such facilities incurred prior to conveyance unencumbered to the Association.

(b) Attendant to the rights of the Class A and Class B members is the right to inspect the books upon proper notice of fifteen (15) days to the Secretary of the Association.

Section 6. User Fees and Charges. The Association may levy and collect special charges and fees for any and all extraordinary operation and maintenance of the Common Areas and services which the Association determines to be necessary for the advancement, benefit and welfare of the Owners,

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tenants and Non-Resident Members. Examples (by way of illustration, and not limitation) of these special charges and fees would include: additional security personnel for parties or special events; valet parking arrangements; post-party trash pick-up and removal; extraordinary utility consumption; management overtime services; and additional insurance conditions or requirements. In establishing special user fees, the Association may formulate reasonable classifications of users. Such fees should be uniform within each class but need not be uniform from class to class. If an Owner shall fail to pay a charge or fee when due and payable, said unpaid charge or fee shall be delinquent and upon written notice to said Owner shall become a personal debt of Non-Resident Members and each Owner and, with respect to an Owner, shall be secured by a lien described in the Declaration. Failure of any Non-Resident Member and/or Owner to pay said fee and charge when due and payable, in addition, shall be a breach of these Bylaws.

### ARTICLE XIII

#### BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any members at the principal office of the Association, where copies may be purchased at reasonable cost.

### ARTICLE XIV

#### CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: Harbor Lakes Homeowners Association, Inc.

### ARTICLE XV

#### FISCAL YEAR

The Fiscal Year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

### ARTICLE XVI

#### AMENDMENTS

Section 1. These Bylaws may be amended, at a regular or special meeting of the members, by a vote of a majority, in the aggregate, of a quorum of Class A and Class B members present or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is a Class B membership.

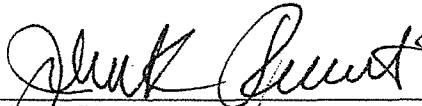
Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XVII

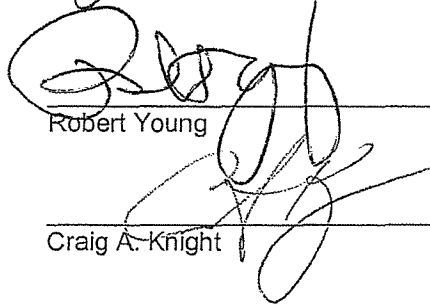
GENDER AND GRAMMAR

The singular, wherever used herein, shall be construed to mean the plural when applicable, and necessary grammatical changes required to make the provision hereof apply either to corporations of individuals, men or women, shall in all cases be assumed as though in case fully expressed.

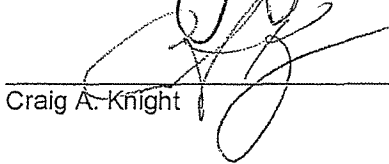
**IN WITNESS WHEREOF**, we being all the Directors of Harbor Lakes Homeowners Association, Inc. have hereunto set our hands effective as of the 14<sup>th</sup> day of February, 2001.



John K. Pierret



Robert Young



Craig A. Knight