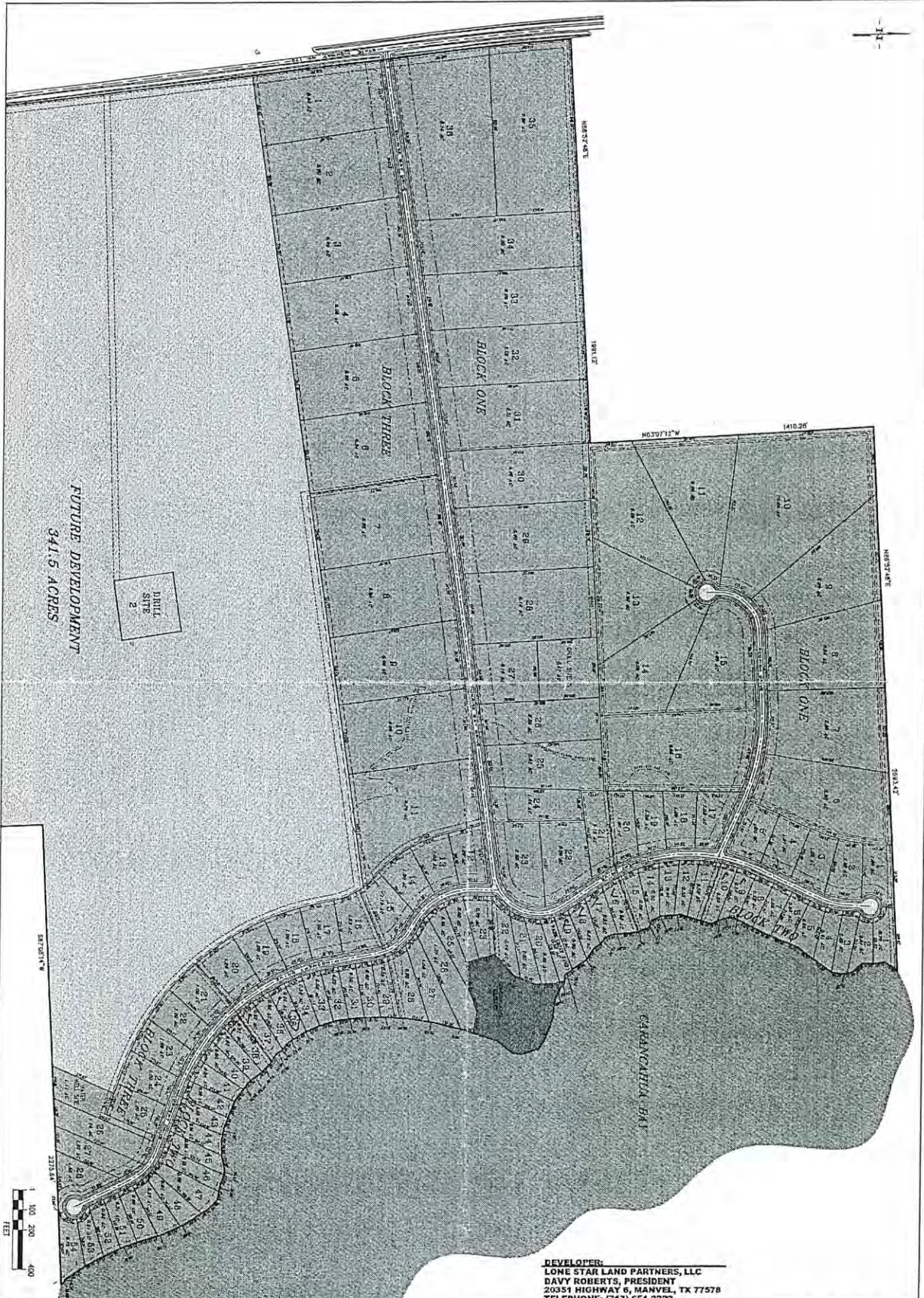


Restrictions Bylaws Sunrise Bay



SUNRISE BAY RESIDENTIAL SUBDIVISION Jackson County, Texas SALES PLAT		G & W ENGINEERS, INC. • ENGINEERING • SURVEYING • ARCHITECTURE • PLANNING 205 W Live Oak St. Port Lavaca, Texas 77979 (361)552-4500		DRAWN BY: _____ CHECKED BY: _____ DATE: 3/29/07 REVISIONS: _____ SCALE: AS NOTED SHEET NO. 1 OF 1
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ESTATES AT SUNRISE BAY PROPERTY OWNERS ASSOCIATION
112 Windswept Drive, Port Lavaca, TX 77979
sunrisepoa@aol.com

Officers

Kip Norcross, President
David Johnson, Vice President
Aled Roberts, Secretary / Treasurer

Directors

Rik Allbritton
Murray Gordon
Ray Nunez
Dan Thomas

FIRST AMENDED BY-LAWS CERTIFICATION

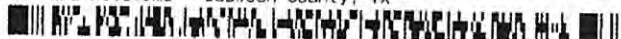
I, Ellsworth K. Norcross, Jr., certify that I am President of the above named association organized under the laws of Texas as a 501c4, with the Federal Employee ID #27-1388785, and that the resolution below appears in the minutes of the Board meeting dated September 22, 2012 and has not been rescinded or modified. This First Amended By-Laws document supersedes the By-Laws of Estates at Sunrise Bay POA recorded at the Jackson County Clerks Office, Book 394 page 996 in June 2011.

Ellsworth K. Norcross, Jr.
Ellsworth K. Norcross, Jr., President
Estates at Sunrise Bay POA

October 16, 2012
Date

Board Meeting
September 22, 2012
Page 4 of 5

The Board voted on a Motion to accept the changes to the By Laws that were required by Texas Property Code statute, but the Board rejected two proposed changes: 1) Section A.8 in the definition for a Quorum the percentage required for a quorum will remain at 60% 2) Section F.6 the majority required to pass an increase of more than 15% in Annual Assessment will remain at 66%. The motion passed unanimously by those Board Members present, and the Property Manager was requested to make the required changes and file the amended By Laws with the County Clerk.



FIRST AMENDED BY-LAWS of ESTATES AT SUNRISE BAY PROPERTY OWNERS ASSOCIATION, INC.

Basic Information

- Name:** ESTATES AT SUNRISE BAY PROPERTY OWNERS ASSOCIATION, INC.
- Principal Office:** 112 Windswept Drive, Port Lavaca, Texas 77979. The Association may have other offices.
- Declaration:** The Declaration of Restrictive Covenants of the **ESTATES AT SUNRISE BAY PROPERTY OWNERS ASSOCIATION, INC.**, recorded in the property records of Jackson County, Texas
- Definitions:** Capitalized terms used but not defined herein have the meaning set forth in the Declarations

A. Members

1. *Membership.* Every Owner is a Member of the Association. The membership of a person in the Association shall terminate automatically whenever such person ceases to be an owner, except that such termination shall not release or relieve such person from any liability or obligation arising during such person's ownership. Any transfer of title of land shall operate automatically to transfer membership in the Association appurtenant to such land to the new owner of such land. The Association has one class of voting Members:

a) *Class A.* Class A Members are all Owners, other than Declarant. Class A Members have one vote per Lot. When more than one person is an Owner, each is a Class A Member, but only one vote may be cast for a Lot.

2. *Voting and Proxies.* Voting rights will be granted to all Members. Members may vote in person, by mail, or electronically. Votes may be submitted in person, absentee, or by proxy. All ballots and proxies shall be in writing and filed with the Secretary or designated agent of the Association.

3. *Place of Meeting.* Members' meetings will be held at the Association's principal office or at another place designated by the Board.

4. *Annual Meetings.* The first Members meeting will be held within 2 months after the formation of the Association. Subsequent regular annual Members meetings will be held on the first Saturday in February or such date designated by the Board of Directors.

5. *Special Meetings.* The President may call special meetings. The President must call a special meeting if directed by resolution of a majority of a quorum of the Board of Directors or by a petition signed by forty (40%) percent of the Class A Voting Members.

6. *Notice of Meetings.* Written notice stating the place, day, and hour of each Members meeting, other than a reconvened meeting, shall be delivered, either personally or by mail, to each Member entitled to vote at such meeting, not less than 10 nor more than 60 days before the meeting. Such notice must contain a description of the topics or issues to be discussed.

In the case of a special meeting the notice must also state the meeting's purpose, and no business may be conducted except as stated in the notice.

Notice to a Member is deemed given when hand delivered or mailed. If mailed, notice is deemed given (whether actually received or not) when deposited with the United States Postal Service, postage prepaid.

7. *Waiver of Notice.* A Member may, in writing, waive notice of a meeting. Attendance at a meeting is a waiver of notice of the meeting, unless the Member objects to lack of notice when the meeting is called to order.

8. *Quorum.* Except as otherwise provided in these By-Laws or in the Declaration, the presence in person or by proxy of sixty (60%) percent of Members entitled to vote shall constitute a quorum at all meetings of the Members. If a Members meeting cannot be held because a quorum is not present, a majority of the Voting Members who are present may adjourn the meeting. At the reconvened meeting, half of the required quorum at the previous meeting, or thirty (30%) percent, of the Voting Members will constitute a quorum. If a quorum is not present, a majority of the Voting Members who are present may adjourn the meeting. At the second reconvened meeting, a majority of the Board is a quorum. At any reconvened meeting, if a quorum is present, any business that might have been transacted at the meeting originally called may be transacted. Written notice of the place, date, and hour of each reconvened meeting must be given to each Member not more than 30 nor less than 10 days before the reconvened meeting.

9. *Majority Vote.* Votes representing more than fifty (50%) percent of the Voting Members present at a meeting at which a quorum is present are a majority vote.

10. *Conduct of Meetings.* The President will preside over Members' meetings. The Secretary will keep minutes of the meetings and will record in a minutes book the votes of the Members.

11. *Action without Meeting.* Any action that may be taken at a Members meeting may be taken without a meeting by written consent setting forth the action taken signed by all the Members entitled to vote with respect to the subject matter thereof, and any such consent shall have the same force and effect as a unanimous vote of the Members.

B. The Board

1. *Governing Body; Composition.* The affairs of the Association are governed by the Board. Each director has one vote. The initial Board is composed of the directors appointed in the certificate of formation. Each director must be a Member or, in the case of an entity Member, a person designated in writing to the Secretary.

2. *Number of Directors.* The Board consists of not less than three or more than 9 Directors. Within those limits, the Board may change the number of directors. No decrease may shorten the term of a Director. The President, Vice-President and Secretary are members of the Board.

3. *Term of Office.* The initial Directors serve until the first annual meeting of Members. The terms of directors will be staggered. At least one-third of the Board will be elected each year. The initial Board will determine the initial term, not to exceed three years, of each Director. At the expiration of the initial term of a Director, each successor will have a term of 3 years. Directors may serve consecutive terms.

4. *Election.* At the first annual meeting of Members, the Voting Members will elect Directors to succeed the initial appointed Directors. At subsequent annual Members meetings, successors for each Director whose term is expiring will be elected. Cumulative voting is prohibited. The candidate or candidates receiving the most votes will be elected. The Directors elected by the Voting Members will hold office until their respective successors have been elected.

5. *Removal of Directors and Vacancies*

a) *Removal by Members.* Any Director may be removed, with or without cause, by a majority of the Voting Members. Any director whose removal is sought will be given notice of the proposed removal.

b) *Removal by Board.* Any Director may be removed at a Board meeting if the Director:

- i. failed to attend 4 consecutive Board meetings;
- ii. failed to attend fifty (50%) percent of Board meetings within one year;
- iii. is the subject of an enforcement action by the Association for violation of the Governing Documents.

c) *Vacancies.* A Director's position becomes vacant if the director dies, becomes incapacitated, resigns, or is no longer a Member.

d) *Successors.* If a Director is removed or a vacancy exists, a successor will be elected by the remaining Directors for the remainder of the term.

6. *Compensation.* Directors will not receive compensation unless they take on responsibilities outside their Directors role and payment is approved by a majority of the Board. A Director may be reimbursed for expenses approved by the Board.

7. *Powers.* The Board has all powers necessary to administer the Association's affairs.

In addition to the duties imposed by these By-Laws or by any resolution of the Association that may hereafter be adopted, the Board of Directors shall have the power to establish policies relating to , and shall be responsible for performing or causing to be performed, the following, in way of explanation, but not limitation:

a) preparing and adopting an annual budget and setting the amount of the annual assessment; taking into consideration the Association's operating costs for the then current year, expected increases or decreases in such costs over the next year, and future needs of the Association. The annual budget shall be adopted by the Board at least thirty (30) days prior to the commencement of each fiscal year.

b) making assessments, establishing the means and methods of collecting such assessments, and establishing the payment schedule for assessments if other than annual;

- Area, if any;
- c) providing for the operation, care, upkeep and maintenance of all Common
 - d) designating, hiring and dismissing the personnel necessary for the operation of the Association and the maintenance, operation, repair, and replacement of its property and the Common Area, if any, and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;
 - e) collecting the assessments, depositing the proceeds thereof in a bank depository that it shall approve, and using the proceeds to operate the Association; provided, any reserve fund may be deposited, in the directors, best business judgment, in depositories other than banks;
 - f) making and amending rules and regulations;
 - g) opening of bank accounts on behalf of the Association and designating the signatories required;
 - h) making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Area, if any, in accordance with the other provisions of the Declaration and these By-Laws after damage or destruction by fire or other casualty;
 - i) enforcing by legal means the provisions of the Declaration, these By-Laws, and the rules and regulations adopted by the Association and bringing any proceedings that may be instituted on behalf of or against the owners concerning the Association;
 - j) obtaining and carrying insurance against casualties and liabilities and paying the premium cost thereof;
 - k) paying the cost of all services rendered to the Association or its Members and not chargeable directly to specific Owners;
 - l) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred. Document retention will meet the following requirements:
 - i. certificates of formation, by-laws, restrictive covenants, and all amendments to the certificates of formation, by-laws, and covenants shall be retained permanently;
 - ii. financial books and records shall be retained for seven (7) years;
 - iii. account records of current owners shall be retained for five years
 - iv. contracts with a term of one year or more shall be retained for four (4) years after the expiration of the contract term;
 - v. minutes of meetings of the owners and the board shall be retained for seven (7) years;
 - vi. tax returns and audit records shall be retained for seven (7) years;;
 - m) maintaining a membership register reflecting, in alphabetical order, the names, property addresses and mailing addresses of all Members; and
 - n) making available to any prospective purchaser, any Owner, any Mortgagee, and the holders, insurers, and guarantors of the a Mortgage, current copies of the Declaration, the Certificate of Formation, the By-Laws, rules governing the Properties and all other books, records, and financial statements of the Association.

8. *Management.* The Board may employ a managing agent. Declarant, or an affiliate of Declarant, may be the managing agent.

9. *Accounts and Reports.* Accounting and controls must conform to good accounting practices. Accounts will not be commingled with accounts of other persons. The following financial reports will be prepared at least annually:

- a) An income statement reflecting all income and expense activity for the preceding period.
- b) A statement reflecting all cash receipts and disbursements for the preceding period.
- c) A variance report reflecting the status of all accounts in an "actual" versus "approved" budget format.
- d) A balance sheet as of the last day of the preceding period.
- e) A delinquency report listing all Owners who are delinquent by more than 30 days in paying any Assessment and describing the status of any action to collect those delinquent Assessments.

10. *Borrowing.* The Board may borrow money to maintain, repair, or restore the Common Area without the approval of the Members. If approved in advance by the Members in the same manner as approving a Special Assessment, the Board may borrow money for any other purpose.

11. *Enforcement Procedures*

a) *Enforcement.* The Board shall have the power to impose reasonable fines, which shall constitute a lien upon the property of the violating Owner, and to suspend an Owner's or any person's right to use the Common Area, if any, for violation of any duty imposed under the Declaration, these By-Laws, or any rules and regulations duly adopted by the Association, provided, however, nothing herein shall authorize the Association or the Board of Directors to limit ingress and egress to or from a Lot. . In the event that an occupant, guest or invitee of an Owner violates the Declaration, By-Laws, or a rule or regulation and a fine is imposed, the fine shall first be assessed against the occupant; provided, however, if the fine is not paid by the occupant within the time period set by the Board, the owner shall pay the fine upon notice from the Association. The failure of the Board to enforce any provision of the Declaration, By-Laws, or any rule or regulation shall not be deemed a waiver of the right of the Board to do so thereafter.

b) *Notice.* Before the Board may (1) suspend an Owner's right to use a Common Area, (2) file a suit against an Owner other than a suit to collect any Assessment, (3) foreclose the Association's lien, (4) charge an Owner for property damage, or (5) levy a fine for a violation of the Governing Documents, the Association or its agent must give written notice to the Owner by certified mail, return receipt requested. The notice must describe the violation or property damage that is the basis for the suspension action, charge, or fine and state any amount due the Association from the Owner. The notice also must inform the Owner that the Owner (1) is entitled to a reasonable period to cure the violation and avoid the fine or suspension unless the

Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding six months and (2) may request a hearing on or before the thirtieth day after the date the Owner receives the notice.

c) *Hearing.* If the Owner is entitled to an opportunity to cure the violation, the Owner has the right to submit a written request for a hearing to discuss and verify facts and resolve the matter in issue before a committee appointed by the Board or before the Board if the Board does not appoint a committee. If a hearing is to be held before a committee, the notice must state that the Owner has the right to appeal the committee's decision to the Board by written notice to the Board.

The Association must hold a hearing under this section not later than the thirtieth day after the date the Board receives the Owner's request for a hearing and must notify the Owner of the date, time, and place of the hearing not later than the tenth day before the date of the hearing. The Board or the Owner may request a postponement, and, if requested, a postponement will be granted for a period of not more than ten days. Additional postponements may be granted by agreement of the parties. The Owner or the Association may make an audio recording of the meeting. The hearing will be held in executive session according to the alleged violator a reasonable opportunity to be heard. Before any sanction hereunder becomes effective, proof of proper notice will be placed in the minutes of the meeting. Such proof will be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered the notice. The notice requirement will be satisfied if the alleged violator appears at the meeting. The minutes of the meeting will contain a written statement of the results of the hearing and the sanction imposed, if any. The Board may, but will not be obligated to suspend any proposed sanction if the violation is cured within a 15-day period. Such suspension will not constitute a waiver of the right to sanction violations of the same or other provisions and rules by any person.

d) *Appeal.* Following hearing before a committee, if any, the violator will have the right to appeal the decision to the Board. To perfect this right, a written notice of appeal must be received by the managing agent, if any, president, or secretary within 15 days after the hearing date.

e) *Changes in Law.* The Board may change the enforcement procedures set out in this section to comply with changes in law.

C. Board Meetings

1. *Regular Meetings.* Regular meetings of the Board will be held at such time and place as determined by the Board within Jackson County or a county adjacent to Jackson County. The Board will hold at least 4 such meetings during each fiscal year. Members shall be given notice of the date, time, place and general description of any matter to be brought up for deliberation. Notice shall be provided to the property owners by at least one of the following methods: 1) mailing paper notice not later than 10 days or earlier than 60 days before the meeting, 2) emailing notice at least 72 hours before the start of the meeting to each owner who has

registered an email address with the Association, 3) posting notice on Association website at least 72 hours before the start of the meeting, or 4) post notice in a conspicuous manner at the entrance of the subdivision at least 72 hours before start of the meeting.

2. *Special Meetings.* Special meetings will be held when called by written notice signed by the President or by any 3 directors. The notice will specify the time and place of the meeting and the matters to be covered at the meeting. Notice shall be provided to Members in the same manner as prescribed for Regular Meetings.

3. *Waiver of Notice.* The actions of the Board at any meeting are valid if (1) a quorum is present and (2) either proper notice of the meeting was given to each Director or a written waiver of notice is given by any Director who did not receive proper notice of the meeting. Proper notice of a meeting will be deemed given to any Director who attends the meeting without protesting before or at its commencement about the lack of proper notice.

4. *Quorum of Board.* At all meetings, a majority of the Board will constitute a quorum, and the vote of a majority of the Directors present at a meeting at which a quorum is present constitutes the decision of the Board. If the Board cannot act because a quorum is not present, a majority of the Directors who are present may adjourn the meeting to a date not less than 10 nor more than 30 days from the date the original meeting was called. At the reconvened meeting, if a quorum is present, any business that may have been transacted at the meeting originally called may be transacted without further notice.

5. *Conduct of Meetings.* The President will preside at Board meetings. The secretary will keep minutes of the meetings and will record in a minute book the votes of the Directors.

6. *Proxies and Voting.* Directors may vote by written proxy. Secret ballots are not allowed: each vote must be attributed to a specific board member.

7. *Action without Meeting.* Any action that may be taken at a Board meeting may be taken without a meeting by written consent setting forth the action taken signed by all the Directors entitled to vote with respect to the subject matter thereof, and any such consent shall have the same force and effect as a unanimous vote.

D. **Officers**

1. *Officers.* The officers of the Association are a president, vice president, secretary, and treasurer, to be elected from the Members. The Board may appoint other officers having the authority and duties prescribed by the Board. Any two or more offices may be held by the same person, except the offices of president, secretary and treasurer. If deemed appropriate by the Board, the offices of the secretary and treasurer may be combined into a single Board position.

2. *Election, Term of Office, and Vacancies.* Officers will be elected annually by the Board at the first meeting of the Board following each annual meeting of the Voting Members. A vacancy in any office may be filled by the Board for the unexpired portion of the term.

3. *Removal.* The Board may remove any officer whenever, in the Board's judgment, the interests of the Association will be served thereby.

4. *Powers and Duties.* Officers have such powers and duties as are generally associated with their respective offices and as may be specifically conferred by the Board. The president is the chief executive officer of the Association. The treasurer has primary responsibility for the preparation of the budget and financial reports and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

5. *Resignation.* Any officer may resign at any time by giving written notice to the Board, the president, or the secretary. Resignation takes effect on the date of the receipt of the notice or at any later time specified in the notice.

E. **Committees**

The Board may establish committees by resolution and authorize the committees to perform the duties described in the resolution.

F. **Miscellaneous**

1. *Fiscal Year.* The Board may establish the Association's fiscal year by resolution. In the absence of a Board resolution determining otherwise, the Association's fiscal year is a calendar year.

2. *Rules for Meeting.* The Board may adopt rules for the conduct of meetings of Members, Board, and committees.

3. *Conflict.* The Declaration controls over these By-Law.

4. *Inspection of Books and Records*

a) *Inspection by Member.* Access to the Association's records will comply with Sec. 209.005 of the Texas Property Code. Any conflicts between sections of this Policy and the current Texas Property Code will default to Section 209.005 of the Texas Property Code.

1. Association shall make the books and records of the association, including financial records, open to and reasonably available for examination by an Owner, or a person designated in writing signed by the Owner as the owner's agent, attorney, or certified public accountant (Requestor).

1.1 The Association may produce books and records requested through this Policy in hard copy, electronic, or other format reasonably available to the Association.

1.2 Information may be released in an aggregate or summary manner that would not identify an individual Owner.

2.0 Exceptions to records to be provided.

2.1 **Attorney files.** Except as provided in this or any subsection of this policy, attorney's files and records relating to the property owners' association, excluding attorney invoices requested by an Requestor under Section 209.008 of Texas Proper Code, are not records of the association and are not subject to inspection by the Requestor or production in a legal proceeding.

2.1.1 If an a document in an attorney's files and records relating to the Association would be required in response to a legally authorized request to inspect or copy Association documents, the Association shall obtain a copy of the document to provide to Requestor.

2.1.2 A document that constitutes attorney work product or that is privileged as an attorney-client communication is excluded and not subject to inspection.

2.2 Other records or books excluded: Books or records that:

2.2.1 Identify the dedicatory instrument violation history of an individual Owner of the Association.

2.2.2 Reveal an Owner's personal financial information including records of payment or nonpayment of amounts due the Association.

2.2.3 Reveal an Owner's contact information, other than the owner's address.

2.2.4 Information related to an employee of the Association including personnel files.

2.3 Conditions under which exceptions can be provided:

2.3.1 The express written approval of the Owner whose records are the subject of the request for inspection is provided to Association.

2.3.2 A court orders the release of the books and records or orders that the books and records be made available for inspection.

3.0 Process to Request

3.1 A qualified Requestor as described in Section 1 must submit a written request for access or information by certified mail with sufficient detail describing the Association's books and records requested, to the Principal Mailing address of the Association reflected in the most current filed Management Certificate. The written request must contain

3.1.1 An election either to

3.1.1.1 inspect the requested books and records before obtaining copies, or

3.1.1.2 have the Association forward copies of the requested books and records

3.1.2 a description or naming of the specific books and/or records for which access is being requested

3.1.3 An indication of the date range of the books and records for which access is being requested

3.2 If an inspection is requested, the Association, on or before the 10th business day after the date the Association receives the request, shall send written notice of dates of dates during normal business hours that the Owner may inspect the requested books and records to the extent those books and records are in the possession, custody, or control of the association.

3.2.1 The inspection shall take place at a mutually agreed on time during normal business hours, and the Requestor shall identify books and record for the Association to copy and forward to the Requestor

3.3 If copies of the identified books and records are requested, the Association shall, to the extent those books and records are in the possession, custody, or control of the Association, produce the requested books and records for the Requesting Party on or before the 10th business day after the date the Association receives the request except as otherwise provided in subsequent Section.

3.4 If Association is unable to produce the books or records requested on or before the 10th business day after the date the Association receives the request, the Association must provide to the Requestor written notice that:

3.4.1 Notifies the Requestor that the Association is unable to produce the information on or before the 10th business day after the date the Association received the request; and

3.4.2 States a date by which the requested information will be available to Requestor. The availability date can be no later than the 15th business day after the date this notice is given.

4.0 **Charges to Requestor.** The Association will charge for compilation, production, and reproduction of information requested under this Policy. Charges are in compliance with items noted in 1 T.A.C. Section 70.3.

4.1. **Charges.** Depending on quantity of documents or records requested, the Association may charge as follows to fulfill the request. If charges apply, the requesting Owner is responsible for costs and charges related to the compilation, production, and reproduction of the requested information in the amounts prescribed in this section:

4.1.1. **Standard paper copy.** The charge for standard paper copies reproduced by means of an office machine copier or a computer printer is \$.10 per page or part of a page. Each side that has recorded information is considered a page.

4.1.2. **Copy devices.** The requesting Owner will pay the actual cost of any electronic device onto which requested documents are copied. These devices include items such as dvds, cds, and ancillary usb drives.

4.1.3. **Labor charge for locating, compiling, manipulating data, and reproducing public information.** The charge for labor costs incurred in processing a request for public information is \$15 an hour. The labor charge includes the actual time to locate, compile, manipulate data, and reproduce the requested information.

4.1.4. **Mailing or shipping.** The Association shall charge the cost to certify, insure, and mail or ship all products of this request.

4.2. **Payment of charges.**

4.2.1. **Estimate of Charges.** If the Association assessment of the span of and details of the information request results in Charges as specified in Charges section, the Association will provide an Estimate of Charges to the Owner no later than the 5th business day after the date the Association received the request. Charges will be billed to and payable by the Owner initiating the request. Estimate of Charges will be compiled based upon the indication of the quantity and extent of books and records involved in the Request for Access provided to the Association.

4.2.2. **Estimate of Charges payment.** Payment of the Estimate of Charges is due prior to Requestor gaining access to or receiving copies of any documents, records, or books. Association must receive payment either prior to or at the time of initial inspection; or prior to the Association forwarding any copies if no inspection is requested. Payment must be made by check payable to Estates at Sunrise Bay Property Owners Association.

4.2.1. When actual costs differ from Estimate of Charges. If the estimated costs are lesser or greater than the actual costs, the Association shall submit a final invoice to the Owner on or before the 30th business day after the information is delivered.

4.2.1.1. Underpayment. If the final invoice includes additional amounts due from Owner, the additional amounts will be due 30 days from invoice date. If payment is not received by due date, the amount of invoice will become an assessment on the Owner's account and subject to delinquent actions prescribed in governing documents.

4.2.1.2. Overpayment. If the Estimate of Charges exceeded the final invoice amount, the Owner is entitled to a refund. The refund shall be issued to the Owner and included in the mailing with the final invoice.

b) *Inspection by Director.* A director has the right, at any reasonable time, and at the Association's expense, to (1) examine and copy the Association's books and records at the Association's Principal Office and (2) inspect the Association's properties.

5. Notices. Any notice required or permitted by the Governing Documents must be in writing. Notices regarding enforcement actions must be given by certified mail, return receipt requested. All other notices may be given by regular mail, posting on Association website or email if the Owner has provided an email address. Notice is deemed delivered (whether actually received or not) when either sent to the email address provided by the owner or properly deposited with the United States Postal Service, addressed to (1) a Member at the Member's last known address according to the Association's records; and (2) the Association, the Board, or a managing agent at the Association's Principal Office or another address designated in a notice to the Members. Association-wide notice is also deemed delivered if posted on the Association website. Unless otherwise required by law or the Governing Documents, actual notice, however delivered, is sufficient.

6. Assessments. The board may raise or lower the assessments required by the Declarations, Covenants, and Restrictions of record for the subdivision by vote, but no more than fifteen (15%) percent annually. Special assessments may be levied by the board at any time by vote of the Board. The Association may increase the annual assessment rate by more than 15% only by vote of the Owners, such vote requiring a 66% majority to pass.

7. Declaration of Covenants, Conditions and Restrictions. The board hereby ratifies and adopts the Declaration of Covenants, Conditions and Restrictions of record in the office of the County Clerk of Jackson County, Texas as written.

8. Amendments. These By-Laws may be amended at any meeting of the Association duly constituted for such purpose, a quorum being present, by an affirmative vote of two-thirds (2/3) of the members present and entitled to cast a vote in person or by proxy.

9. Conflicts. If there are conflicts between the provisions of the Texas law, the Certificate of Formation, the Declaration, and/or these By-Laws, then the provisions of Texas law, the Declaration, the By-Laws and the Certificate of Formation (in that order) shall prevail.

Signed on October 16, 2012

Carol King

Agent of the Estates at Sunrise Bay
Property Owners Association, Inc.

THE STATE OF TEXAS §

§

COUNTY OF Jackson §

This instrument was acknowledged before me on the 16th day of October 2012 by

SEAL:



Leah Latimer

NOTARY PUBLIC, STATE OF TEXAS

First Amended BY-LAWS of ESTATES AT SUNRISE BAY PROPERTY OWNERS ASSOCIATION, INC.

FILED and RECORDED

Instrument Number: 2012-86072 B: OR V: 424 P: 894

Filing and Recording Date: 10/16/2012 01:16:55 PM Recording Fee: 64.00

I hereby certify that this instrument was FILED on the date and time stamped heron and RECORDED in the OFFICIAL PUBLIC RECORDS of Jackson County, Texas.



A handwritten signature in black ink, appearing to read "Barbara Williams", is written over a horizontal line.

Barbara Williams, County Clerk
Jackson County, Texas

ANY PROVISION CONTAINED IN ANY DOCUMENT WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE REAL PROPERTY DESCRIBED THEREIN BECAUSE OF RACE OR COLOR IS INVALID UNDER FEDERAL LAW AND IS UNENFORCEABLE.

**SECOND AMENDMENT TO THE BY-LAWS OF
ESTATES AT SUNRISE BAY PROPERTY OWNERS' ASSOCIATION, INC.**

STATE OF TEXAS §
 §
COUNTY OF JACKSON §

WHEREAS, Estates at Sunrise Bay Property Owners' Association, Inc., (the "Association") is the governing entity for Sunrise Bay Subdivision, an addition in Jackson County, Texas, according to the map or plat thereof recorded in the Map Records of Jackson County, Texas, under Slide No's. 197-205, (the "Subdivision"); and

WHEREAS, the First Amended By-Laws for Estates at Sunrise Bay Property Owners' Association, Inc. are recorded in the Real Property Records of Jackson County, Texas, under Clerk's File No. 2012-86072, along with any amendments or supplements thereto (the "Bylaws"); and

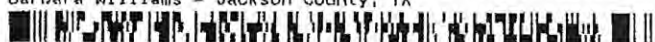
WHEREAS, Texas Property Code, § 209.00593(b) authorizes the Association Board of Directors to amend the Bylaws to provide for elections to be held as required by § 209.00593(a); and

WHEREAS, Business Organizations Code, § 22.102(c), authorizes the Association Board of Directors to amend the Association Bylaws;

NOW THEREFORE, in accordance with the foregoing and as evidenced by the Certification attached hereto, the Association Bylaws are hereby amended to read as follows:

Article A, Section 8 QUORUM, which had previously read:

Quorum. Except as otherwise provided in these By-Laws or in the Declaration, the presence in person or by proxy of sixty (60%) percent of Members entitled to vote shall constitute a quorum at all meetings of the Members. If a Members meeting cannot be held because a quorum is not present, a majority of the Voting Members who are present may adjourn the meeting. At the reconvened meeting, half of the required quorum at the previous meeting, or thirty (30%) percent, of the Voting Members will constitute a quorum. If a quorum is not present, a majority of the Voting Members who are present may adjourn the meeting. At the second reconvened meeting, a majority of the Board is a quorum. At any reconvened meeting, if a quorum is present, any business that might have been transacted at the meeting originally called may be transacted. Written notice of the place, date, and hour of each reconvened meeting must be given to each Member not more than 30 nor less than 10 days before the reconvened meeting.



Article A, Section 8 is hereby amended to read as follows:

Quorum. The presence in person or by proxy of sixty (60%) percent of Members entitled to vote shall constitute a quorum at all meetings of the Members for any action, except as otherwise provided in the Articles of Incorporation, Restrictions or these Bylaws. If, however, a quorum shall not be present or represented at any meeting, the Members thereat shall have power to adjourn the meeting from time to time and reconvene, at any time, without notice other than an announcement at the meeting, and the quorum requirement at each reconvened meeting shall be ½ (one-half) of the quorum requirement at the previously adjourned meeting, until a quorum shall be present or represented. All business which may have been transacted at the original meeting may be transacted at any reconvened meeting.

ESTATES AT SUNRISE BAY PROPERTY OWNERS' ASSOCIATION, INC.

CERTIFICATION

"I, the undersigned, being the President of the Estates at Sunrise Bay Property Owners' Association, Inc., hereby certify that the foregoing Bylaw Amendment was approved by at least a majority of the Association Board of Directors."

By: Ellsworth K. Norcross, Jr., President

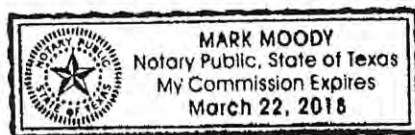
Print Name: Ellsworth K. Norcross, Jr.

ACKNOWLEDGEMENT

STATE OF TEXAS §
 §
COUNTY OF JACKSON §

BEFORE ME, the undersigned authority, on this day, personally appeared Ellsworth Norcross, the President of the Estates at Sunrise Bay Property Owners' Association, Inc., the person whose name is subscribed to the foregoing instrument and acknowledged to me that they executed the same as the act of the Association for the purpose and consideration therein expressed and in the capacity therein stated.

Given under my hand and seal of office this 31st day of May, 2014.



Mark Moody
Notary Public, State of Texas

After Recording Return to:
Estates at Sunrise Bay POA, Inc.
c/o Preferred Management Services, AAMC®
P.O. Box 690269
Houston, TX 77269

FILED and RECORDED

Instrument Number: 2014-01323 B: OR V: 464 P: 509

Filing and Recording Date: 06/09/2014 08:45:00 AM Recording Fee: 30.00

I hereby certify that this instrument was FILED on the date and time stamped heron and RECORDED in the OFFICIAL PUBLIC RECORDS of Jackson County, Texas.



A handwritten signature in black ink, appearing to read "Barbara Williams", is written over a horizontal line.

Barbara Williams, County Clerk
Jackson County, Texas

ANY PROVISION CONTAINED IN ANY DOCUMENT WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE REAL PROPERTY DESCRIBED THEREIN BECAUSE OF RACE OR COLOR IS INVALID UNDER FEDERAL LAW AND IS UNENFORCEABLE.

**SUNRISE BAY, PORT LAVACA, TEXAS
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**

This Declaration, made on the date hereinafter set forth SOUTH TEXAS BAYFRONT PROPERTIES, LLC, a Texas limited liability company, hereinafter referred to as "Developer,"

WITNESETH:

WHEREAS Developer is the owner of that certain tract of land known as Sunrise Bay being a subdivision of 263 acres of land situated in Francis Keller League 4, abstract 37 Jackson County Texas, as described in the plat (the "Plat") recorded in the office of the County Clerk of Jackson County, Texas on the 11th day of June, 2007 after having been approved as provided by law, and being recorded as Slide No. 191 to 205, in the Maps and Plats of Jackson County, Texas (hereinafter referred to as the "Property" of the "Subdivision"); and

WHEREAS, it is the desire of Developer to place certain restrictions, easement, covenant, conditions, stipulations and reservation (herein sometimes referred to as the "Restrictions") upon and against such Property in order to establish a uniform plan for the development, improvement and sale of the Property, and to insure the preservation of such uniform plan for the benefit of both the present and future owners of Lots in said subdivision;

NOW, THEREFORE, Developer hereby adopts, establishes and imposes upon the Subdivision and declares the following reservations, easements, restrictions, covenants and conditions, applicable thereto, all of which are for the purposes of enhancing and protecting the value, desirability and attractiveness of said Property, the benefit of each owner thereof, except that no part of this Declaration or the Restrictions shall be deemed to apply in any manner to the areas identified or platted as a Reserve or Unrestricted Reserve on the Plat or to any area no included in the boundaries of said Plat. Developer also declares that this Subdivision shall be subject to the jurisdiction of the "Property Owners Association" (as hereinafter defined).

RESTRICTIONS

A. LAND USE

1. The Property described above, together with any tracts subsequently added by the Declarant as aforesaid, are intended for one single family dwelling unit per "Lot" and their use is restricted to that purpose. "Lot" shall mean and refer to any plot of land identified as a Lot or tract on the Plat of the Subdivision. For purposes of this instrument, "Lot" shall not be deemed to include any portion of any "Common Areas," "Reserves," "Restricted Reserves" or "Unrestricted Reserves," defined herein as any Common Areas, Reserves, Restricted Reserves or Unrestricted Reserves shown on the Plat in the Subdivision, regardless of the use made of such area. No Lot may be subdivided. Occupancy of a Lot shall be limited to one (1) family, which shall be defined as any number of persons related by blood, adoption or marriage living with not more than one (1) person who is not so related as a single household unit, or no more than two (2) persons who are not so related living together as a single household unit. It is not the intent of the Developer to exclude any individual from a dwelling who is authorized to so remain by any state or federal law. If it is found that this section, or any other section, of the Restrictions are in violation of any law, then the prohibited section shall be interpreted to be as restrictive as possible to preserve as much of the original section as allowed by law. No commercial enterprise of any sort shall be situated on any tract included therein unless the Declarant chooses, in his sole discretion, to designate a tract commercial. Except however Declarant reserves the right to own, maintain, or situated on any tract included therein unless the Declarant chooses, in his sole discretion, to lease an office upon any portion of the described property for the purpose of promoting or closing future land sales or administering the business of the Declarant, and may permit prospective purchasers of property within the boundaries of the Property and Annexable Area, who are not Owners or members of the Association, to use the Common Area at reasonable times and in reasonable number; and may refer to the services offered by the Association in connection with the development, promotion and marketing of the Property. Further, the Developer may establish Rules and Regulations for the use of the Common Areas in the Subdivision

designate a tract commercial. Except however Declarant reserves the right to own, maintain, or situated on any tract included therein unless the Declarant chooses, in his sole discretion, to lease an office upon any portion of the described property for the purpose of promoting or closing future land sales or administering the business of the Declarant, and may permit prospective purchasers of property within the boundaries of the Property and Annexable Area, who are not Owners or members of the Association, to use the Common Area at reasonable times and in reasonable number; and may refer to the services offered by the Association in connection with the development, promotion and marketing of the Property. Further, the Developer may establish Rules and Regulations for the use of the Common Areas in the Subdivision.

2. All tracts shall be kept in a clean and orderly condition at all times, and all trash, garbage and other waste shall be kept in sanitary containers. Such maintenance includes, but is not limited to, the following:

- a. Prompt removal of all litter, trash, refuse, and wastes.
- b. Lawn mowing (outside of the natural vegetation areas).
- c. Tree and shrub pruning (outside of the natural vegetation areas).
- d. Keeping exterior lighting and mechanical facilities in working order.
- e. Keeping lawn and garden areas alive, free of weeds, and attractive.
- f. Keeping parking areas, walkways and driveways in good repair.
- g. Complying with all government health and policy requirements.
- h. Repainting of improvements.
- i. Repair of exterior damage to improvements.

In the event of the failure of Owner to comply with the above requirements after ten (10) days written notice thereof, the Association or their designated agents may, in addition to any and all remedies, either at law or in equity, available for the enforcement of these restrictions, without liability to the Owner, Builder or any occupants of the Lot in trespass or otherwise, enter upon (and/or authorize one or more other to enter upon) said Lot, to cut, or cause to be cut, such weeds and grass and remove, or cause to be removed, such garbage, trash and rubbish or do any other thing necessary to secure compliance with this Declaration, so as to place said Lot in a neat, attractive, healthful and sanitary condition, and may charge the Owner, Builder or occupant of such Lot for the cost of such work and associated material, plus a fee of \$25.00 for each instance. Payment thereof shall be collected as an additional Maintenance Charge and shall be payable on the first day of the next calendar month.

3. Consistent with the foregoing, no wrecking yard, junk yard or salvage yard is permitted. Automotive vehicles not in running condition shall not remain on the property more than thirty (30) days.

4. No camping allowed on unimproved Lots.

5. Hunting is prohibited anywhere within the Subdivision.

6. No farm animals allowed with the exception of one (1) horse per acre on properties of four (4) acres or greater for recreational purposes. Commercial raising or feeding of animals or poultry is prohibited.

7. Any Owner of one or more adjoining Lots (or portions thereof) may, with prior written approval of the Architectural Control Committee, consolidate such Lots or portions into one building site, with the privilege of placing or constructing improvements on such resulting composite site, in which case the side set-back lines along the common lot lines shall be eliminated and said set-back lines shall thereupon be measured from the resulting side property lines rather than from the center adjacent Lot lines as indicated on the Plat (a "Composite Building Site"). Further, any utility easements along said common lot lines shall be eliminated and abandoned upon approval of a Composite Building Site provided. Such easements are not then being used for utility purposes. Any such Composite Building Site must have a front building set-back line of not less than the minimum front building set-back line of all Lots within that area, and

such Composite Building Site will still be considered as individual Lots for the purposes of the Maintenance Charge set forth herein.

8. No mobile, prefabricated or factory build home shall be situated on any Lot, permanently or otherwise.

9. **Restricted Reserve.** The Developer grants and conveys an exclusive perpetual easement to each individual Owner of a "Bayfront Lot" over and upon that portion of the shoreline of said Bay that lies and is situated between the Lot boundary line closest to the Bay of each Owner's respective Bayfront Lot and the actual pool level or water line of said Bay contained within Restricted Reserve A and C as shown on the Plat, the Owner of any Bayfront Lot having the exclusive right to use, keep and maintain only that portion of the shoreline of said Bay situated adjacent to the boundary line of said Bayfront Lot nearest to said Bay and between the actual pool level of the Bay and said boundary line as though the side Bayfront Lot lines were extended to the actual pool level of Bay (each a "Perpetual Easement"). "Bayfront Lot" shall mean the Lots number 1 through 54 contained in Block Two (2) of the Plat which are adjacent to and have any portion of the boundary of their Lot if projected to the Bay would connect to a portion of the Bay at the actual pool level of such Bay. "Bay" as used herein shall mean an inlet of water from the Gulf of Mexico. The right to use each of said Perpetual Easements shall be exclusive to each respective Owner of each of the Bayfront Lots and no other Owner in the Subdivision shall be entitled to use said shoreline easement area, provided however, such use shall be further subject to and limited by all legal requirements and permitting requirements of State, Local, and/or Federal authorities related to each of such areas, including but not limited to any wetlands designations or requirements related to the use thereof; Furthermore, the Developer and/or the Association make no representation or warranty that any or all of such Perpetual Easement(s) will be or remain available for use by any Owner based upon such legal requirements. It shall be the responsibility of each Bayfront Lot Owner to investigate and obtain prior to and during ownership all such legal requirements related to use of their Lot and the Perpetual Easement and to obtain as necessary any wetlands delineation from the Army Corp of Engineers. The Owner of each Bayfront Lot shall, at their respective expense, maintain the Perpetual Easement related to their respective Bayfront Lot. Further, each Owner, by accepting a Perpetual Easement, shall indemnify and forever hold harmless the Developer and the Association, each of their respective successors and assigns, from and against any and all damages or loss arising out of or connected with the use of and improvements placed upon the respective Perpetual Easement.

10. Docks, piers and boathouses are permitted for Bayfront Lots only. Buyer must obtain all permits required by State, Local, and/or Federal authorities before installation of any dock, pier and/or boathouse or making any change for improvement within the Perpetual Easement or in the area of the Bay. Piers, docks and/or boathouses shall be constructed of treated wood or similar material and must be approved in writing by the Architectural Control Committee prior to being erected, altered or placed on the property.

11. The areas designated as "Drill Site" and "Easements" thereunto on the Plat are the designated drill site and related easement locations for the purposes indicated on the Plat and as further provided herein, with regard to the Drill Site and Easements designated: (a) with regard to the Drill Site on Lot 27, Block 1, such Drill Site may be used exclusively by the Owners of Lot 27, Block 1 and their families, guests and invitees; and (b) all other Drill Sites and Easements may be otherwise utilized by the Owner for recreation, outdoor activities, grazing or other activities other than construction of improvements until such time as the mineral owners desire to use said area for a drill site or easement thereto for the exploration and/or of oil, gas or other minerals. The use of the Drill Site and Easements are specifically subject to the superior right of the mineral owners to use the area as a drill site for the exploration and development of oil, gas or other minerals. Developer shall have and hereby reserves the right, without the consent of any other Owner or the Association, to grant or create temporary or permanent easements, for access, utilities, pipeline easements, cable television systems, communication and security systems, drainage, water and other purposes incident to development, sale, operation and maintenance of the Subdivision located in, on, under, over and across (i) the Lots or other property owned by Developer, (ii) the Common Area, and (iii) existing utility easements. Furthermore, Developer has the right to grant or assign to the Association any or a portion of any right, title and interest in any real property contained

within the Subdivision to the Association for the benefit of the Association, including but not limited to any Drill Sites or Easements. Developer, subject to the provisions for Composite Building Sites, reserves for public use the utility easements shown on the Plat or that have been or hereafter may be created by separate instrument recorded in the Real Property Records of Jackson County, Texas, for the purpose of constructing, maintaining and repairing a system or systems of electric lighting, electric power, telegraph and telephone line or lines, gas lines, sewers, water lines, storm drainage swales in order to provide for improved surface drainage of the Reserves, Common Area and/or Lots. The Property Owners Association, the Developer and its assigns, further expressly reserves the right to enter upon any Lot for the purpose of improving, constructing or maintaining any natural drainage pattern, area or easement. Should any utility company furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document, Developer, without the joinder of any other Owner, shall have the right to grant such easement on said Property without conflicting with the terms hereof. Any utility company serving the Subdivision and/or any Utility District serving the Subdivision shall have the right to enter upon any utility easement for the purpose of installation, repair and maintenance of their respective facilities... Neither Developer nor any utility company, water district, political Subdivision or other authorized entity using the easements herein referred to shall be liable for any damages done by them or their assigns, agents, employees, or servants to fences, shrubbery, trees and lawns or any other property of the Owner on the property covered by said easements. No building, swimming pool or other structure shall be located over, under, upon or across any portion of any utility easement. The Owner of each Lot shall have the right to construct, keep and maintain concrete drives, walkways, fences, and similar improvements across any utility easement, and shall be entitled to cross such easements at all times for purposes of gaining access to and from such Lots, provided, however, any concrete drive, fence or similar improvement placed upon such Utility Easement by the Owner shall be constructed, maintained and used at Owner's risk, and, as such, the Owner of each Lot subject to said Utility Easements shall be responsible for (i) any and all repairs to the concrete drives, walkways, fences and similar improvements which cross or are located upon such Utility Easements, and (ii) repairing any damage to said improvements caused by the Utility District or an public utility in the course of installing, operating, maintaining, repairing, or removing its facilities located with the Utility Easements. The Owner of each Lot shall indemnify and hold harmless Developer, and public utility companies having facilities located over, on, across or under utility easements from any loss, expense, suit or demand resulting from death, injuries to persons or damage to property in any way occurring, incident to, arising out of or in connection with said Owner's installation, maintenance, repair or removal or any permitted improvements located with utility easements, including where such death, injury or damage is caused or alleged to be caused by the negligence of such public utility or the Developer, their employees, officers, contractor, or agents.

12. No "for sale" signs shall be placed on unimproved Lots.
13. All Lots are to be serviced with a water system; furthermore, any Lot Owner shall have the right to drill and operate a well on their Lot to access non-potable water for irrigation purposes only.
14. No outside, open or pit type toilets are permitted in this Subdivision.
15. The Association will be responsible for maintaining all Common Areas and regulating their uses.
16. The easement shown on the Plat within Lots 36, Block 1 and Lot 1, Block 3 as a "Landscape Easement" shall be for use in constructing and maintaining entrance monuments, columns, landscaping and fencing, which shall be owned and maintained by the Association. Lot Owners of the Lots subject to this Landscape Easement shall be prohibited from improving or accessing the area designated for the Landscape Easement.

B. CONSTRUCTION AND ARCHITECTURAL CONTROL

1. No building or other improvements of any character shall be erected or placed, or the erection or placing thereof commenced, or changes made in the design or exterior appearance thereof (including, without limitation, painting, staining or siding), or any addition or exterior alteration made thereto after

original construction, or demolition or destruction by voluntary action made thereto after original construction, on any Lot in the Subdivision until the obtaining of the necessary approval (as hereinafter provided) from the Committee of the construction plans and specifications for the construction or alteration of such improvements or demolition or destruction of existing improvements by voluntary action made thereto after original construction, on any Lot in the Subdivision until the obtaining of the necessary approval (as hereinafter provided) from the Committee of the construction plans and specifications for the construction or alteration of such improvements or demolition or destruction of existing improvements by voluntary action. Approval shall be granted or withheld based on matters of compliance with the provisions of this instrument, quality of materials, drainage, harmony of external design and color with existing and proposed structures in the Subdivision and location with respect to topography and finished grade elevation. The granting of approval shall in no way serve as a guaranty or warranty as to the quality of the plans or specification nor the habitability, feasibility or quality of the resulting improvements. The sole authority for determining whether construction plans and specifications for proposed improvements are in compliance with the provisions of this Declaration as to quality and color of materials, drainage, harmony of external design and color with existing and proposed structures and location with respect to topography, finished grade elevations and other relevant factors, rests with the Committee. Disapproval of plans and specifications, including location of the proposed improvements, may be based by the Committee, for any reason that shall seem sufficient in the sole discretion of the Committee. Each application made to the Committee shall be accompanied by two sets of professionally drawn plans and specifications for all proposed construction (initial or alterations) to be done on such Lot, including the drainage plan for the Lot, plot plans showing the location and elevation of the improvements on the Lot and dimensions of all proposed walkways, driveways, and all other matters relevant to architectural approval. The address of the Committee shall be the address of the principal office of the Developer or the Association. If approved, one of the two sets, of plans submitted shall be returned to the Owner with said approval noted thereon. The Committee may set reasonable application and inspection fees, and deposits. The Owner must obtain from the Committee a receipt for said plans indicating the date said plans are received by the Committee.

2. Dwellings shall be erected containing a minimum 1,200 square feet total, 800 square feet on the ground floor of living (heated) area exclusive of porches screened or unscreened, and all of such construction, of construction activity after construction has commenced (each a "Dwelling"). Once construction has begun, a Dwelling must be completed within one (1) year from the commencement date. Dwellings can be a maximum height of 40 feet. Dwellings must be of earth tone colors—no vinyl, aluminum, or vertical siding. The exterior of all buildings must have a coastal theme and be constructed from brick, stucco, stone, hardiplank, or any combination of any of the above.

3. First floor elevation must be at least one (1) foot above the 100 year flood plain.

4. Every building constructed on a Lot shall be set back, from the front property line as follows, or unless shown differently on the recorded plat map.

- a. Waterfront lots - 25' (twenty-five feet), being Lots 1 - 54, Block 2
- b. Waterview lots - 50' (fifty feet), being Lots 1 - 5, Block 1; Lots 17- 23, Block 1; and Lots 12 - 28, Block 3
- c. Large acreage lots - 75' (Seventy-five feet), being Lots 6 - 16, Block 1; Lots 24 - 36, Block 1; Lots 1 - 11 Block 3

5. Detached garages, workshops, and barns may be constructed on the property after or while the main dwelling is being built, so long as they are in harmony with the main Dwelling, and are of good construction, kept in good repair, and are not used for residential purposes. Any workshops, barns, or other outbuildings shall be located to the rear of the main Dwelling. All Dwellings, detached garages, workshops, and barns must be approved in writing by the Architectural Control Committee prior to being erected, altered or placed on the property. Barns may only be placed on properties four (4) acres or greater and intended to stable horses.

6. Every Dwelling shall have an individual sewage disposal system that meets or exceeds the minimum standards of State and County health regulations. Prior to occupancy, all Dwellings constructed in this Subdivision must have a septic or sewage disposal system installed by the Owner to comply with the requirements of the appropriate governing agency. All residents of the Subdivision will be required to install aerobic septic systems serving any Dwelling constructed on any Lot.

7. Fences on Bayfront Lots shall be constructed of ornamental iron only. Fencing on properties four (4) acres or greater that are intended to stable horses shall consist of split-rail type using wood or synthetic materials and shall have a minimum of three rails attached in an aesthetically pleasing design. No barbed wire or chain link fences shall be allowed in the Subdivision, provided, however, an Owner may obtain approval from the Committee to construct a cage, kennel, or dog run out of chain link fence. All fences shall be constructed in harmony with the guidelines established and adopted by the Architectural Control Committee.

8. All driveways must be of hard surface from the street to the Dwelling and must be approved by the ACC. Each Property Owner shall be required to install, at their own expense, a driveway culvert according to Jackson County standards and the restrictions subject to the prior approval of the ACC. All driveway culverts shall be installed with the flow line level with the final grade of the ditch or as may be required by Jackson County. It is the responsibility of every Property Owner to ensure that the construction, size and placement of any culvert on their property adhere to the guidelines and approval of Jackson County. It is understood that should Jackson County require the removal, replacement, correction, modification and/or repair of any culvert it shall be the responsibility of the Property Owner to pay for such work. Should Jackson County require Developer to remove replace, correct, modify or repair any culvert as a precondition to acceptance of the subdivision roads into the county road system, Developer shall have the right to undertake such work and the Property Owner shall reimburse Developer for costs incurred. Any improper placement of culverts is subject to removal by Developer and/or Jackson County at the Property Owner's expense. All minimum driveway culvert sizes are listed on the following chart:

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MINIMUM DRIVEWAY CULVERT SIZES								
BLOCK NO.	LOT NO.	MINIMUM CULVERT DIAMETER (INCHES)	BLOCK NO.	LOT NO.	MINIMUM CULVERT DIAMETER (INCHES)	BLOCK NO.	LOT NO.	MINIMUM CULVERT DIAMETER (INCHES)
1	1	15	2	3	15	2	45	15
1	2	15	2	4	15	2	46	15
1	3	15	2	5	15	2	47	15
1	4	15	2	6	15	2	48	15
1	5 (ON WINDSWEPT)	21	2	7	15	2	49	15
1	5 (ON RESFISH)	21	2	8	15	2	50	15
1	6	21	2	9	15	2	51	15
1	7	27	2	10	15	2	52	15
1	8	24	2	11	15	2	53	15
1	9	24	2	12	15	2	54	15
1	10	24	2	13	15	3	1	15
1	11	21	2	14	15	3	2	15
1	12	15	2	15	15	3	3	15
1	13	15	2	16	15	3	4	15
1	14	15	2	17	15	3	5	15
1	15	15	2	18	15	3	6	15
1	16	15	2	19	15	3	7	15
1	17 (ON REDFISH)	15	2	20	15	3	8	18
1	17 (ON WINDSWEPT)	21	2	21	15	3	9	21
1	18	18	2	22	15	3	10	21
1	19	15	2	23	15	3	11	24
1	20	15	2	24	15	3	12 (ON SUNRISE)	24
1	21	15	2	25	15	3	12 (ON WINDSWEPT)	18
1	22	15	2	26	15	3	13	18
1	23 (ON WINDSWEPT)	18	2	27	15	3	14	15
1	23 (ON SUNRISE)	30	2	28	15	3	15	15
1	24	30	2	29	15	3	16	15
1	25	24	2	30	15	3	17	15
1	26	24	2	31	15	3	18	18
1	27	24	2	32	15	3	19	18
1	28	24	2	33	15	3	20	21
1	29	21	2	34	15	3	21	27
1	30	21	2	35	15	3	22	24
1	31	21	2	36	15	3	23	24
1	32	15	2	37	15	3	24	24
1	33	15	2	38	15	3	25	21
1	34	15	2	39	15	3	WATER WELL SITE	21
1	35	18	2	40	15	3	26	18
1	38 (ON SUNRISE)	15	2	41	15	3	27	15
1	38 (ON HIGHWAY 172)	18	2	42	15	3	28	15
2	1	15	2	43	15			
2	2	15	2	44	15			

C. PROPERTY OWNERS' ASSOCIATION, ASSESSMENTS, AND LIEN

1. A "Property Owners Association" is hereby created to be made up of the Owners of property within the herein before described together with the owners of the subdivision (the "Association"). On or prior to the Control Transfer Date at the discretion of the Developer, and thereafter, upon the approval of the Board of Directors (as provided below), the Association may form and be operated as a non-profit corporation and governed by its Articles of Incorporation and By-laws upon incorporation, provided that such incorporation documentation is not in conflict with the terms and provisions hereof. Every person or entity who is a record owner of any Lot which is subject to the Maintenance Charge (or could be following the withdrawal of an exemption therefrom) and other assessments provided herein, including contract sellers, shall be a "Member" of the Association. The foregoing is not intended to include persons or entities holding an interest merely as security for the performance of an obligation or those having only an interest in the mineral estate. No Owner shall have more than one membership for each Lot owned by such Member. Memberships shall be appurtenant to and may not be separated from the ownership of the Lots. Regardless of the number of persons who may own a Lot (such as husband and wife, or joint tenants, etc.) there shall be but one membership for each Lot. Additionally, upon the Control Transfer Date, the Directors of the Association must be Members of the Association (as more particularly described in the By-laws). Ownership of the Lots shall be the sole qualification for membership. The voting rights of the Members are set forth in the By-laws of the Association; the initial Board of Directors of the Association shall be designated by the Developer. Upon the Control Transfer Date, Owners may elect a five (5) member board of directors to the Property Owners Association with three (3) alternates (the "Board of Directors").

2. Through its Board of Directors, the Property Owners Association shall have the authority to:

a. Declare and collect an assessment per year per Lot from each property owner. Such assessment shall be made for the purpose of maintaining roads and other areas of common use and benefit to subdivision owners. The exact amount of the Maintenance Charge applicable to each Lot will be determined by the Developer until the Control Transfer Date, and thereafter by the Board of Directors of the Association during the month preceding the due date of the Maintenance Charge. All other matters relating to the Maintenance Charge and the collection, expenditures, and administration of the Maintenance Fund shall be determined by the Developer or the Board of Directors of the Association, subject to the provision hereof. The initial assessment shall be \$200.00 ("Maintenance Charge"), and each such Maintenance Charge (except as otherwise hereinafter provided) shall be paid by the Owner of each Lot (or residential building site) to the Association annually, in advance, on or before the tenth day of January of each calendar year, or on such other date or basis (monthly, quarterly, or semi-annually) as the Developer or the Board of Directors of the Association may designate in its sole discretion. The following property subject to this Declaration shall be exempt from the Maintenance Charge and all other charges and assessments created herein: (a) all properties dedicated to and accepted by a local public authority; (b) the Common Area; and (c) all properties owned by the Developer or the Association or a charitable or nonprofit organization exempt from taxation by the laws of the State of Texas; however, no land or improvements devoted to dwelling use shall be exempt from, said Maintenance Charge.

b. Any Maintenance Charge not paid within thirty (30) days after the due date shall bear interest from the due date at the lesser of: 1) the rate of eighteen percent (18%) per annum or, 2) the maximum rate permitted by law. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the hereinafter described lien against the Owner's Lot. No Owner may waive or otherwise escape liability for the Maintenance Charge by non-use of any Common Areas or recreational facilities available for use by Owners of the Subdivision or by the abandonment of his Lot.

c. The Maintenance Charge levied by the Developer or the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare, of the Owners

of the Subdivision. In particular, the Maintenance Charge shall be used for any improvement or services in furtherance of these purposes and the performance of the Association's duties described herein, including the maintenance of the Common Areas, any greenbelt or easements, roads, rights-of-way, and any common use pier, and the establishment and maintenance of a reserve fund for maintenance thereof. The Maintenance Fund may be expended by the Developer or the Association for any purposes which, in the judgment of the Developer or Association, will tend to maintain the property values in the Subdivision, including, but not limited to, providing funds for the actual cost to the Association of all taxes, insurance, repairs, energy charges, replacement and maintenance of the Common Area, etc, as may from time to time be authorized by the Association. Payment of all legal and other expenses incurred in connection with the enforcement of all charges and assessments, conveyances, restrictions, and conditions affecting the properties to which the maintenance fund applies, payment of all reasonable and necessary expenses in connection with the collection and administration of maintenance charges and assessments, landscaping in common areas, utilities, insurance, taxes, employing policemen and a security force, and doing any other things or things necessary or desirable in the opinion of the Association to keep the properties neat and in good order, or which is considered a general benefit of the Owners or occupants of the properties, it being understood that the judgment of the Association in the expenditure of said fund shall be final and conclusive so long as such judgment is exercised in good faith. The Maintenance Charge is for the purpose of promoting the recreation, health, safety and welfare of the Owners of the Subdivision.

d. Each lot shall be subject to a lien to secure unpaid assessments. Said lien shall be foreclosed by formal court proceeding after written notice to the delinquent property owner. This lien shall be subordinate to any lien holder who has provided work or materials for the improvement of any tract and also to any lien holder who has financed construction on the property. As additional security for the payment of the Maintenance Charge and other charges, and assessments hereby levied, each Owner of a Lot in the Subdivision, by such party's acceptance of a deed thereto, hereby grants to the Association a contractual lien on such Lot which may be foreclosed on by non-judicial foreclosure and pursuant to the provisions of Section 51.002 of the Texas Property Code (and any successor statute); and each such owner hereby expressly grants the Association a power of sale in connection therewith. The Association shall, whenever it proceeds with non-judicial foreclosure pursuant to the provisions of said Section 51.002 of the Texas Property Code and said power of sale, designate in writing a Trustee to post or cause to be posted all required notices of such foreclosure sale and to conduct such foreclosure sale. The Trustee may be changed at any time and from time to time, by the Association by means of a written instrument executed by the President or any Vice-President of the Association and filed for record in the Real Property Records of Jackson County, Texas. In the event that the Association has determined to non-judicially foreclose the lien provided herein pursuant to the provisions of said Section 51.002 of the Texas Property Code (and any successor statute) and to exercise the power of sale hereby granted, the Association shall mail to the defaulting Owner a copy of the Notice of Trustee's Sale not less than twenty-one (21) days prior to the date on which said sale is scheduled by posting such notice through the U.S. Postal Service, postage prepaid, certified, return receipt requested, properly addressed to such Owner at the last known address of such Owner according to the records of the Association. If required by law, the Association or Trustee shall also cause a copy of the Notice of Trustee's Sale to be recorded in the Real property Records of Jackson County, Texas. Out of the proceeds of such sale, if any, there shall first be paid all expenses incurred by the Association in connection with such default, including reasonable attorney's fees and a reasonable trustee's fee; second, from such proceeds there shall be paid to the Association an amount equal to the amount in default; and third, the remaining balance shall be paid to such Owner. Following any such foreclosure, each occupant of any such Lot foreclosed on and each occupant of any improvements thereon shall be deemed to be a tenant at sufferance and may be removed from possession by any and all lawful means, including a judgment for possession in an action of forcible detainer and the issuance of a writ of restitution thereunder. In the event of nonpayment by any Owner of any Maintenance Charge or other charge or assessment levied hereunder, the Association may in addition to foreclosing the lien

hereby retained, and exercising the remedies provided herein, upon ten (10) days prior written notice thereof to such nonpaying Owner, exercise all other rights and remedies available at law or in equity. It is the intent of the provisions of this Section to comply with the provisions of said Section 51.002 of the Texas Property Code relating to non-judicial sales by power of sale and, in the event of the amendment of said Section 51.002 of the Texas Property Code hereafter, the President or any duly authorized officer of the Association, acting without joinder of any other Owner or mortgagee or other person may, by amendment to this Declaration filed in the Real Property Records of Jackson County, Texas, amend the provisions thereof so as to comply with said amendments to Section 51.002 of the Texas Property Code. In addition to the right of the Association to enforce the Maintenance Charge or other charge or assessment levied hereunder, the Association may file a claim or lien against the Lot of the delinquent Owner by recording a notice ("Notice of Lien") setting forth:

- 1) the amount of the claim of delinquency,
- 2) the interest and costs of collection, including reasonable attorneys' fees, which have accreted thereon,
- 3) the legal description and street address of the Lot against which the lien is claimed, and
- 4) the name of the Owner thereof such Notice of Lien shall be signed and acknowledged by an officer of the Association or other duly authorized agent of the Association. The lien shall continue until the amounts secured thereby and all subsequently accruing amounts are fully paid or otherwise satisfied. When all amounts claimed under the Notice of Lien and all other costs and assessments which may have accrued subsequent to the filing of the Notice of Lien have been fully paid or satisfied, the Association shall execute and record a notice releasing the lien upon payment by the Owner of a reasonable fee as fixed by the Board of Trustees to cover the preparation and recordation of such release of lien instrument. Although no further action is required to create or perfect the lien, the Association may, as further evidence and notice of the lien, execute and record a document setting forth as to any Lot, the amount of the delinquent sums due the Association at the time such document is executed and the fact that a lien exists to secure the repayment thereof. However, the Association's failure to execute and record any such document shall not, to any extent, affect the validity, enforceability, perfection, or priority of the lien. The lien may be foreclosed through judicial or, to the extent allowed by law, non-judicial foreclosure proceedings in accordance with Tex. Prop. Code Ann. Section 51.002, as it may be amended, in like manner of any deed of trust on real property. Each Owner hereby grants to the Association, whether or not it is so expressed in the deed or other instrument conveying such Lot to the Owner, a power of sale to be exercised in accordance with Tex. Prop. Code Ann. Section 51.002, as it may be amended.

3. The authority to grant or withhold architectural control approval as referred to above is initially vested in the Developer; provide, however, the authority of the Developer shall cease and terminate upon the election of the Architectural Control Committee of the Association (sometimes herein referred to as the "Committee"), in which event such authority shall be vested in and exercised by the Committee, hereinafter referred to, except as to plans and specifications and plot plans theretofore submitted to the Developer which shall continue to exercise such authority over all such plans, specifications and plot plans. The term "Committee," as used in this Declaration, shall mean or refer to the Developer or to the Architectural Control Committee composed of members of the Association appointed by the Board of Directors, as applicable. At the discretion of the Developer or in any event at such time as eighty percent (80%) of the Lots in all sections of the Subdivision are conveyed by Developer (from time to time hereafter referred to as the "Control Transfer Date"), the Developer shall cause an instrument transferring control of the Subdivision to the Association to be placed on record in the Real Property Records of

Jackson County, Texas (which instrument shall include the Control Transfer Date). Thereupon, Developer shall designate a committee of three (3) Members to be known as The Architectural Control Committee. Thereafter, each member of the Committee must be an Owner of property in some Section of the subdivision and shall be elected by the Board of Directors of the Association. Additionally, the Developer shall have the right to discontinue the exercise of architectural control privileges and arrange for the transfer to the Association at any time prior to the Control Transfer Date by filing a statement and instrument to such effect in the Real Property Records of Jackson County, Texas. Declarant shall designate and appoint an Architectural Control Committee consisting of not less than three (3) qualified persons which committee shall serve at the pleasure of the Declarant. The Architectural Control Committee shall be named by vote of the owners of all the property in the subdivision each owner casting the number of votes and fractions of votes as the acres of land for the candidate of his choice for each post. There shall be no cumulative voting.

4. No building, fence, wall, bulkhead, or other structure shall be commenced, erected, or maintained upon any tract, nor shall any exterior addition to, or change or alteration therein, be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to, and approved in writing by the Architectural Control Committee as to harmony of external design and location in relation to surrounding structures and topography.

5. In the event that any plans and specifications are submitted to the Architectural Control Committee as provided herein, and such Committee shall either fail to approve or reject such plans and specifications for a period of 45 days following such submission, approval by the Committee shall not be required, and full compliance with this Restriction shall be deemed to have been had.

6. The Association (and any owner with respect only to the remedies described in (b) below) shall have the power to enforce the power to enforce the provisions of this Declaration and the Rules and Regulations and shall take such action as the Board of Directors deems necessary or desirable to cause such compliance by each Member and each Related User. Without limiting the generality of the foregoing, the Association shall have the power to enforce the provisions of this Declaration and the Rules and Regulations of the Association by any one or more of the following means;

a. By entry upon any property within the Subdivision after notice and hearing (unless a bona fide emergency exists in which event this right of entry may be exercised without notice (written or oral) to the Owner in such manner as to avoid any unreasonable or unnecessary interference with the lawful possession, use, or enjoyment of the improvements situated thereon by the Owner or any other person), without liability by the Association to the owner thereof, for the purpose of enforcement of this Declaration or the Rules and Regulations.

b. By commencing and maintaining actions and suits to restrain and enjoin any breach or threatened breach of provisions of this Declaration or the Rules and Regulations.

c. By exclusion, after notice and hearing, of any Member of Related User from use of any recreational facilities within the Common Areas during and for up to sixty (60) days following any breach of this Declaration or such Rules and Regulations by such Member or any Related User, unless the breach is a continuing breach in which case exclusion shall continue for so long as such breach continues;

d. By suspension, after notice and hearing, of the voting rights of a Member during and for up to sixty (60) days following any breach by such Member or a Related User of a provision of this Declaration or such Rules and Regulations, unless the breach is a continuing breach in which case such suspension shall continue for so long as such breach continues.

e. By levying and collecting, after notice and hearing, an assessment against any Member for breach of this Declaration or such Rules and Regulations by such Member or a Related User

which assessment reimbursed the Association for the costs incurred by the Association in connection with such breach.

f. By levying and collecting, after notice and hearing, reasonable and uniformly applied fines and penalties, established in advance in the Rules and Regulations of the Association, from any Member or Related User for breach of this Declaration or such Rules and Regulations by spell Member or a Related User; and

g. By taking action itself to cure or abate such violation and to charge the expenses thereof, if any, to such violating Members, plus attorneys' fees incurred by the Association with respect to exercising such remedy. Before the Board may invoke the remedies provided above, it shall give registered or certified notice of such alleged violation to Owner, and shall afford the Owner a hearing. If after the hearing a violation is found to exist, the Board's right to proceed with the listed remedies shall become absolute. Each day a violation continues shall be deemed a separate violation. Failure of the Association, the Developer, or of any Owner to take any action upon any breach or default with respect to any of the foregoing violations shall not be deemed a waiver of their right to take enforcement action thereafter or upon a subsequent breach or default.

D. DISPUTE RESOLUTION AND LIMITATION ON LITIGATION

1. Agreement to Avoid Litigation. The Declarant, the Association, its officers, directors, and committee members, all Persons subject to this Declaration, any Builder, and any Person not otherwise subject to this Declaration who agrees to submit to this Article (collectively, "Bound Parties") agree to encourage the amicable resolution of disputes involving the Subdivision, without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees that those claims, grievances or disputes described in Section 2 below ("Claims") shall be resolved using the procedures set forth in Section 3 below in lieu of filing suit in any court.

2. Claims. Unless specifically exempted below, all claims, grievances or disputes arising out of or relating to the interpretation, application or enforcement of the Governing Documents, or the rights, obligations and duties of any Bound Party under the Governing Documents or relating to the design or construction of improvements on the Properties shall be subject to the provisions of Section 3 below.

Notwithstanding the above, unless all parties thereto otherwise agree, the following shall not be Claims and shall not be subject to the provisions of Section 3 below:

- a. Any suit by the Association against any Bound Party to enforce the provisions dealing with Assessments;
- b. Any suit by the Association to obtain a temporary restraining order, or other mandatory or prohibitive equitable relief and such other ancillary relief as permitted to enforce provisions regarding uses of Property or Architectural Standards and Control;
- c. Any suit in which any indispensable party is not a Bound Party; and
- d. Any suit which otherwise would be barred by any applicable statute of limitations.

With the consent of all parties thereto, any of the above may be submitted to the alternative dispute resolution procedures set forth in Section 3 below.

3. Mandatory Procedures.

a. Notice. Any Bound Party having a Claim ("Claimant") against any other Bound Party (Respondent) (collectively the "Parties") shall notify each Respondent in writing (the "Notice"), stating plainly and concisely:

- 1) The nature of the Claim, including the Persons involved and Respondent's role in the Claim;
- 2) The legal basis of the Claim (i.e., the specific authority out of which the Claim arises);
- 3) Claimant's proposed remedy; and
- 4) That Claimant will meet with Respondent to discuss in good faith ways to resolve the Claim.

b. Negotiation and Mediation.

1) The Parties shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the Board may appoint a representative to assist the Parties in resolving the dispute by negotiation.

2) If the Parties do not resolve the Claim within 30 days of the date of the Notice (or within such other period as may be agreed Upon by the Parties) ("Termination of Negotiations"), Claimant shall have 30 additional days to submit the Claim to mediation under the auspices of any Texas dispute resolution center or such other independent mediator providing similar services upon which the Parties mutually agree. If the parties cannot agree on a mediator then the mediator shall be selected by a District Judge of the District Court of Calhoun County, Texas.

3) If Claimant does not submit the Claim to mediation within 30 days after Termination of Negotiations, or does not appear for the mediation, Claimant shall be deemed to have waived, the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such Claim; provided however, nothing herein shall release or discharge Respondent from any liability to any Person other than the Claimant.

4) Any settlement of the Claim through mediation shall be documented in writing by the mediator. If the Parties do not settle the Claim within 30 days after submission of the matter to the mediation process, or within such time as determined by the mediator, the mediator shall issue a notice of termination of the mediation proceedings ("Termination of Mediation"). The Termination of Mediation notice shall set forth that the Parties are at an impasse and the date that mediation was terminated.

5) Within five (5) days after the Termination of Mediation, the Claimant shall make a final written settlement demand ("Settlement Demand") to the Respondent and the Respondent shall make a final written settlement offer ("Settlement Offer") to the Claimant. If the Claimant fails to make a Settlement Demand, Claimant's original Notice shall constitute the Settlement Demand. If the Respondent fails to make a Settlement Offer, Respondent shall be deemed to have made a "zero" or "take nothing" Settlement Offer.

c. Final and Binding Arbitration.

1) If the Parties do not agree in writing to a settlement of the Claim within 15 days of the Termination of Mediation, the Claimant shall have 15 additional days to submit the Claim to arbitration in accordance with the Rules of Arbitration of the State of Texas.

2) This subsection (c) is an agreement to arbitrate and is specifically enforceable under the applicable arbitration laws of the State of Texas. The arbitration award (the "Award") shall be final and binding, and judgment may be entered upon it in any court of competent jurisdiction to the fullest extent permitted under the laws of the State of Texas.

4. Allocation of Costs or Resolving Claims.

a. Subject to Section 4(b), each Party shall bear its own costs, including any attorney's fees incurred, and each Party shall secure equally all charges rendered by the mediator(s) and all filing fees and costs of conducting the arbitration proceeding ("Post Mediation Costs").

b. Any Award which is equal to or more favorable to Claimant than Claimant's Settlement Demand shall add Claimant's Post Mediation Costs to the Award, such costs to be borne equally by all Respondents. Any Award which is equal to or less favorable to Claimant than any Respondent's Settlement Offer shall award to such Respondent its Post Mediation Costs.

5. Enforcement of Resolution. If the Parties agree to resolve any Claim through negotiation accordance with Section 3(b) and any Party thereafter fails to abide by the terms of the agreement reached through negotiation, or if, following arbitration, any Party, thereafter fails to comply with the Award, then the other Party may file suit or initiate administrative proceedings to enforce the agreement or Award without the need to again comply with the procedures set forth in Section 3. In such event, the Party taking action to enforce the agreement or Award is entitled to recover from the noncomplying Party (or if more than one noncomplying Party, from all the Parties pro rata) all costs incurred in enforcing the agreement or Award, including, without limitation, attorney's fees and court costs.

6. Litigation. No judicial or administrative proceeding with an amount in controversy exceeding \$25,000.00, will be commenced or prosecuted by the Association unless approved by Members of the Association entitled to vote at a regular or special meeting at which a quorum is present, duly called, in whole or in part, for the purpose of approving the proceeding. This Section will not apply, however, to actions brought by the Association to enforce the provisions of this Declaration (including, without limitations, the foreclosure of liens); the imposition and collection of Assessments; proceedings involving challenges to ad valorem taxation; counterclaims brought by the Association in proceedings instituted against it; or actions brought by the Association to enforce written contracts with its suppliers and service providers.

This Section will not be amended unless the amendment is approved by the requisite percentage of votes of Members of the Association, and pursuant to the same procedures, necessary to institute proceedings as provided above. This provision will apply in addition to the negotiation and arbitration provisions set forth above, if applicable.

7. Miscellaneous Alternative Dispute Resolution Provision. Conflicting Provisions. Any conflict or discrepancy between the terms and conditions set forth above and any term, condition or procedure of the American Arbitration Association, or any remedy allowed at law or in equity, the terms, conditions, procedures and remedies set forth herein will control.

E. GENERAL PROVISIONS

1. Declarant shall have the right to enforce, by any proceeding at law or in equity, all restrictions now or hereafter imposed by the provisions of this Deed. Failure to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.
2. The covenants, conditions and restrictions of this Deed shall run with and bind the land, and shall inure to the benefit of, and be enforceable by Declarant or any tract owner subject hereto, and their respective legal representatives, heirs, successors, and assigns.
3. Invalidation of any one or more of these Restrictions by judgment or court order shall in no way affect any other restriction and all other restrictions shall remain in full force and effect.
4. The Developer shall have and reserves the right at any time and from time to time prior to the Control Transfer Date, without the joinder or consent of any Owner or other party, to amend this Declaration by an instrument in writing duly signed, acknowledged, and filed for record for the purpose of correcting any typographical or grammatical error, oversight, ambiguity, or inconsistency appearing herein, provided that any such amendment shall be consistent with and in furtherance of the general plan and scheme of development as evidenced by this Declaration and shall not impair or adversely affect the vested property or other rights of any Owner or his mortgagee. Additionally, Developer shall have and reserves the right at any time and from time to time prior to the Control Transfer Date, without the joinder or consent of any Owner or other party, to amend this Declaration by an instrument in writing duly signed, acknowledged and filed for record for the purpose of permitting the owners to enjoy the benefits from advances, such as security, communications or energy-related devices or equipment which did not exist or were not in common use in residential Subdivisions at the time this Declaration was adopted. Likewise, the Developer shall have and reserves the right at any time and from time to time prior to the Control Transfer Date, without the joinder or consent of any Owner or other party, to amend this Declaration by an instrument in writing duly signed, acknowledge and filed on record for the purpose of prohibiting the use of any device or apparatus developed and/or available for residential use following the date of this Declaration if the use of such device or apparatus will adversely affect the Association or will adversely affect the property values within the Subdivision.
5. The provisions hereof shall run with all property in the Subdivision and shall be binding upon all Owners and all persons claiming under them for a period of forty (40) years from the date this Declaration is recorded, after which time said Declaration shall be automatically extended for successive periods of ten (10) years each, unless an instrument, signed by not less than two-thirds (2/3rds) of the then Owners (including the Developer) of the Lots has been recorded agreeing to cancel, amend or change, in whole or in part, this Declaration.
6. This Declaration may be amended or changed, in whole or in part, at any time by the written agreement or signed ballot of Owners (including the Developer) entitled to cast not less than two-thirds (2/3rds) of the votes of all of the Owners. If the Declaration is amended by a written instrument signed by those Owners entitled to cast not less than two-thirds (2/3rds) of all of the votes of the owners of the Association, such amendment must be approved by said Owners within three hundred sixty-five (365) days of the date the first Owner executes such amendment. The date an owner's signature is acknowledged shall constitute prima facia evidence of the date of execution of said amendment by such Owner. Those Members (Owners, including the Developer) entitled to cast not less than two-thirds (2/3rds) of all of the votes of the Members of the Association may also vote to amend this Declaration, in person, or by proxy, at a meeting of the Members (Owners, including the Developer) duly called for such purpose, written notice of which shall be given to all Owners at least ten (10) days and not more than sixty (60) days in advance and shall set forth the purpose of such meeting. Notwithstanding any provision contained in the By-laws to the contrary, a quorum for purposes of such meeting, shall consist of not less than seventy percent (70%) of all of the Members (in person or by proxy) entitled to vote. Any such amendment shall become effective when an instrument is filed for record in the Real Property Records of Jackson County, Texas, accompanied by a certificate, signed by a majority of the Board of Trustees, stating that the required number of Members (Owners, including the Developer) executed the instrument amending this Declaration or

cast a written vote, in person or by proxy, in favor of said amendment at the meeting called for such purpose. Copies of the written ballots pertaining to such amendment shall be retained by the Association for a period of not less than three (3) years after the date of filing of the amendment or termination. The Developer shall have and reserves the right at any time and from time to time prior to the Control Transfer Date, without the joinder or consent of any Owner or other party, to amend this Declaration by an instrument in writing duly signed, acknowledged, and filed for record for the purpose of correcting any typographical or grammatical error, oversight, ambiguity, or inconsistency appearing herein, provided that any such amendment shall be consistent with and in furtherance of the general plan and scheme of development as evidenced by this Declaration and shall not impair or adversely affect the vested property or other rights of any Owner or his mortgagee. Additionally, Developer shall have and reserves the right at any time and from time to time prior to the Control Transfer Date, without the joinder or consent of any Owner or other party, to amend this Declaration by an instrument in writing duly signed, acknowledged and filed on record for the purpose of permitting the Owners to enjoy the benefits from technological advances, such as security, communications or energy-related devices or equipment which did not exist or were not in common use in residential Subdivisions at the time this Declaration was adopted. Likewise, the Developer shall have and reserves the right at any time and from time to time prior to the Control Transfer Date, without the joinder or consent of any Owner or other party, to amend this Declaration by an instrument in writing duly signed, acknowledged and filed on record for the purpose of prohibiting the use of any device or apparatus developed and/or available for residential use following the date of this Declaration if the use of such device or apparatus will adversely affect the Association or will adversely affect the property values within the Subdivision.

IN WITNESS WHEREOF, the undersigned, being the Developer herein, has hereunto set its hand as of this 5 day of June, 2007.

South Texas Bayfront Properties, LLC
A Texas Limited Liability Company
By: [Signature]
Name: DAVE ROBERTS
Title: AUTHORIZED AGENT

STATE OF TEXAS

COUNTY OF Harris

This instrument was acknowledged before me on the 5 day of June, 2007, by Ricki Lynn Gardner of South Texas Bayfront Properties, LLC, a Texas limited Liability company, in the capacity therein stated on behalf of said company.



Sunrise Bay – Port Lavaca – Declaration of Covenants, Conditions and Restrictions. -

VOL 306 PAGE 997

65704

RESTRICTIONS

SOUTH TEXAS BAYFRONT PROPERTIES LLC

TO

SUNRISE BAY

FILED FOR RECORD THIS THE 11th day of
June A.D., 2007 at 02:50 P.M.

KENNETH W. MCELVEEN, COUNTY CLERK
JACKSON COUNTY, TEXAS

By Barbara Vanecek Deputy
6/5/2007 Barbara Vanecek Fee: \$ 71.00

Filed by: G&W ENGINEERS
205 W. LIVEOAK
PORT LAVACA, TX 77979

Return to: G&W ENGINEERS
205 W. LIVEOAK
PORT LAVACA, TX 77979
Attn: Jerry G. Shepherd

VOL 306 PAGE 998

Recorded this the 12th Day of June A.D., 2007 At 10:30 A.M.
KENNETH W. MCELVEEN, COUNTY CLERK By Cherie Robinson Deputy.

STATE OF TEXAS COUNTY OF JACKSON
I hereby certify that this instrument was FILED on the date
and at the time affixed hereon by me and was duly
RECORDED in the Volume and page of the Official
Records of Jackson County Texas as stamped hereon by me.

JUN 12 2007



KENNETH W. McELVEEN
JACKSON COUNTY, TEXAS

BY Cherie Robinson
Cherie Robinson Deputy

65704

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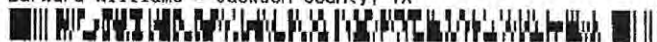
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KENNETH W. McELVEEN
JACKSON COUNTY, TEXAS
BY Cherie Robinson
Cherie Robinson Deputy



**ESTATES AT SUNRISE BAY PROPERTY OWNERS ASSOCIATION, INC.
ARCHITECTURAL POLICY**

WHEREAS, the Estates at Sunrise Bay Property Owners Association, Inc. (the "Association"), a Texas non-profit corporation, which is governed by its Board of Directors (the "Board"), is the governing entity of the Estates at Sunrise Bay Subdivision and authorized to enact this Policy; and

WHEREAS, these Regulations apply to the operation and utilization of property within the Estates at Sunrise Bay Subdivision, an addition in Jackson County, Texas, according to the maps or plats thereof, recorded in the Map Records of Jackson County, Texas, as follows:

Maps and Plats Records of Jackson County, Texas Slide Numbers 197-205, a tract of land situated in Francis Kellar League 4, Abstract 37 Jackson County, Texas known as Sunrise Bay.

WHEREAS, the Board of Directors of the Association desires to enact an Architectural Policy in compliance with the Texas Property Code;

WHEREAS, Chapter 202 of the Texas Property Code was amended to add Sections 202.010, 202.011, 202.012, 202.018, and 202.007(d) which require the Associations to allow solar panels, certain roofing materials, flags, flag poles, religious items and rain barrels, and authorizes the Association to regulate such items; and

WHEREAS, the Board of Directors of the Association desires to regulate such items by establishing regulations and guidelines relating to solar panels, certain roofing materials, flags, flag poles, religious items and rain barrels in compliance with Chapter 202 of the Texas Property Code and pursuant to the authority granted to the Board by the provisions of the Declaration:

NOW THEREFORE, in accordance with the foregoing, the Estates at Sunrise Bay Property Owners Association, Inc. hereby adopts the following Regulations on the 18th day of October, 2014, to be effective immediately upon filing.

To the extent the regulations contained herein conflict with any previously existing Rules, Regulations or Architectural Guidelines of the Estates at Sunrise Bay Property Owners Association CA, Inc., the regulations contained herein control.

**REGULATION OF SOLAR PANELS, ROOF SHINGLES,
FLAGS, FLAG POLES, RELIGIOUS ITEMS AND RAIN BARRELS**

I. Solar panels are permitted to the extent required by 202.010 of the Texas Property Code, subject to the following regulations:

- 1) The owner shall first apply to and receive written approval from the ACC prior to installation of any solar panels or other solar items (collectively "Solar Panels") permitted by 202.010.

- 2) Solar Panels shall be located in a fenced-in yard or patio, OR on the roof of the house or other approved structure, not visible from the front of the structure, and in a location approved by the ACC (subject to any limitation imposed by 202.010).
- 3) Solar Panels shall be located entirely on the property of the owner erecting the Solar Panels and shall not be located on any other lot, property or common area.
- 4) When mounted on a structure, no Solar Panel may be higher or wider than the roofline of the structure it is mounted on.
- 5) When mounted on a structure, the top edge of all Solar Panels shall be parallel with the roofline and shall conform to the slope of the roofline.
- 6) If located in a fenced-in yard or patio, the Solar Panels shall be lower than the fence line of the yard or patio.
- 7) Solar Panel frames, brackets, wires and pipes shall be a shade of silver, bronze or black.
- 8) An Owner wishing to obtain approval of the installation of a solar panel or device that does not comply with any single criteria above must demonstrate that an alternative location will enable the panel or device to generate more than 10% greater production in the alternative location.

II. To the extent required by 202.011 of the Texas Property Code, Owners are entitled to install roof shingles designed primarily to be wind and/or hail resistant; shingles that provide heating and cooling efficiencies greater than those provided by customary composite shingles; and shingles that provide solar generation capabilities (collectively referred to as "Alternative Shingles"), subject to the following regulations:

An Owner must obtain prior written authorization of the Architectural Control Committee ("ACC"), to place or install any type of shingle or roofing material on the exterior of any improvement located on a Lot within the Subdivision. Roof Shingles will be approved upon the submission of a proper application to the ACC proposing an installation of roof shingles that is within the parameters set forth in Chapter 202.011 of the Texas Property Code and any other permissible criteria required by the ACC.

Roof shingles that satisfy all of the criteria of each subparagraph one through four below will be approved for installation.

1. shingles are either designed primarily to
 - a) be wind and hail resistant;
 - b) provide heating and cooling efficiencies greater than those provided by customary composite shingles; or
 - c) provide solar generation capabilities.
2. the shingles resemble the shingles used on property in the subdivision.
3. the shingles are more durable than and are of equal or greater quality to the shingles used on property in the subdivision.
4. the shingles match the aesthetics of the property surrounding the owner's property.

III. To the extent required by 202.012 of the Texas Property Code, Owners are entitled to display a United States Flag, a Texas State Flag, or a replica flag of any branch of the United States Armed Forces ("Permitted Flags"), and to install a flag pole on their property for the purpose of displaying the Permitted Flags; subject to the following regulations:

- 1) The Owner shall first apply to and receive written approval from the ACC prior to installation of any flag pole.
- 2) United States Flags must be displayed in accordance with 4 U.S.C. Sections 5-10.
- 3) The Texas Flag must be displayed in accordance with Chapter 3100 of the Texas Government Code.
- 4) Only Permitted Flags may be displayed within the Association.
- 5) Permitted Flags shall be displayed from a pole attached to a structure OR from a free-standing pole. Except for flags that are mounted in accordance with 4 U.S.C. Sections 5-10, Permitted Flags may not be draped over or directly attached to structures. For example, a Permitted Flag may not be laid across a fence or stapled to a garage or entry door.
- 6) A flag pole attached to a structure shall be limited to one per lot, shall be no more than 6 feet long and shall be securely attached by a bracket with an angle of 30 to 45 degrees down from vertical. The flag pole shall be attached in such a matter as to not damage the structure. One attached flag pole is allowed on the front portion of a structure facing the street in a location approved by the ACC. Brackets which accommodate multiple flag poles are prohibited.
- 7) A flag pole, whether attached to a dwelling or freestanding, shall be constructed of permanent, long-lasting materials with a finish appropriate to the materials used in the construction of the flag pole and harmonious with the dwelling. Flag poles shall be commercially produced and not home-made, they shall not be constructed of wood or plastic.
- 8) Only one Permitted Flag may be displayed on a flag pole attached to a structure; up to two Permitted Flags may be displayed on an approved free-standing flag pole that is at least 14 feet tall.
- 9) The flag display and flag pole shall conform to all setbacks, easements, and zoning ordinances.
- 10) Flags and flag poles must be maintained in good condition; flags and poles that are deteriorating or represent an unsafe condition shall be repaired, replaced or removed.
- 11) Free-standing flag poles, are limited to one per lot, in a location approved by the ACC in writing, and shall not exceed 20 feet in height (including any ornamental cap) and 9 inches in diameter. Free-standing flag poles shall be permanently installed in the ground according to the manufacturer's instructions.
- 12) Permitted Flags are limited in size to 3 feet tall by 5 feet wide.

- 13) Lighting may be installed to illuminate Permitted Flags if they will be displayed at night and if existing ambient lighting does not provide proper illumination. Flag lighting shall be:
 - a) approved in writing by the ACC prior to installation, and
 - b) shall be ground mounted in the vicinity of the flag, and
 - c) shall utilize a fixture that screens the bulb and directs light in the intended direction with minimal spillover, and
 - d) shall point towards the center of the flag and face the main structure on the property or to the center of the property if there is no structure, and
 - e) shall not provide illumination exceeding the equivalent of a 60 watt incandescent bulb.
- 14) Flag poles shall not generate unreasonable noise levels which would disturb the surrounding residents. In order to minimize noise all flag poles shall utilize vinyl or plastic snap hooks, shall utilize snap hook covers and may secure a rope around the flag pole with a flag pole clasp, or do whatever else is necessary to comply.
- 15) An owner can only place a flag pole or flag on his own property and no other lot, property or common area.
- 16) Flag poles are permitted solely for the purpose of displaying Permitted Flags. If a flag pole is not longer used on a daily basis it shall be removed by the Owner.

IV. Religious Items related to any faith that is motivated by an Owner's sincere religious belief or tradition, may be displayed, as permitted by 202.018 of the Texas Property Code (on the entry door to the home), subject to the following regulations:

- 1) The religious item cannot threaten public health or safety.
- 2) The religious item cannot violate any law.
- 3) The religious item cannot contain language, graphics or other display that is patently offensive to a passerby.
- 4) The religious item must be located on the entry door or entry door frame and cannot extend past the outer edge of the door frame of the dwelling.
- 5) The maximum space allotted to a religious item or combination of religious items shall be no more than 25 square inches.
- 6) The Association may remove any item that does not conform to these regulations.

V. Rainwater Recovery Barrels or Systems ("Barrels/System") shall be permitted to the extent required by 202.007(d), subject to the following regulations:

- 1) The Owner shall first apply to and receive written approval from the ACC prior to installation of any Barrels/System.
- 2) The Barrels/System must be of a color that is consistent with the color scheme of the owner's home.
- 3) The Barrels/System cannot be located between the front of the owner's home and an adjoining or adjacent street. (the front yard)
- 4) The Barrels/System must not display any language or other content that is not typically included on the item when it is manufactured.
- 5) The Association may regulate the size, type, materials and manner of screening for Barrels/System that are visible from the street, another lot, or common area.
- 6) There must be sufficient area on the owner's property to install the Barrels/System, no Barrels/ System shall be located on or extend onto any property other than the owner's lot.
- 7) Other than gutters and downspouts conventionally attached to a dwelling or appurtenant structure, all components of the Barrels/ System, such as tanks, barrels, filters, pumps, motors, pressure tanks, pipes and hoses, must be substantially screened from public view from any street or common area.
- 8) Screening may be accomplished by an approved solid fence, structure or vegetation; by burying the tanks/barrels; or by placing the equipment in an outbuilding approved by the ACC.
- 9) A rain barrel may be placed in a location visible from public view from any street or common area only if the configuration of the guttering system on the structure precludes screening as described above, so long as:
 - a) the barrel does not exceed 55 gallons, and
 - b) the barrel is installed in close proximity to the structure on a level base with the guttering downspout leading directly to the barrel inlet at a substantially vertical angle, and
 - c) the barrel is fully painted in a single color to blend with the adjacent home or vegetation, and
 - d) any hoses attached to the barrel discharge must be neatly coiled and stored behind or beside the rain barrel in the least visible location when not in use.
- 10) Overflow lines from a System must not be directed onto or adversely affect adjacent properties or common areas.
- 11) Inlets, ports, vents and other openings must be sealed or protected with mesh to prevent children, animals and debris from entering the barrels, tanks or other storage devices. Open top storage containers are prohibited, however, where space allows and where

appropriate as determined by the Association, ACC approved ponds may be used for water storage.

- 12) Harvested water must be used and is not allowed to become stagnant or a threat to health.
- 13) All systems shall be maintained in good repair. Unused systems should be drained and disconnected from the gutters. Any unused Systems in public view must be removed from public view of any street or common area.

The Association, through its Board of Directors, shall have and may exercise discretionary authority concerning the restrictive covenants contained herein.

CERTIFICATION

"I, the undersigned, being the President of Estates at Sunrise Bay Property Owners Association, Inc., hereby certify that the foregoing document was approved in writing by the Board of Directors."

By, Ellsworth K. Norcross, Jr., President

Print Name: Ellsworth K. Norcross, Jr.

STATE OF TEXAS

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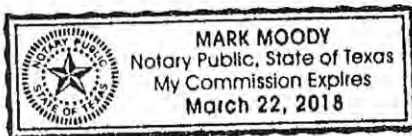
COUNTY OF JACKSON

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BEFORE ME, on this 27th day of October, 2014, personally appeared Ellsworth K. Norcross, Jr. President of the Estates at Sunrise Bay Property Owners Association, Inc. and executed this Agreement with the authority and for the purposes contained herein, and as the act and deed of the Association.

Mark Moody

Notary Public, State of Texas



After Recording Return to:

Estates at Sunrise Bay Property Owners Association, Inc.
c/o Preferred Management Services
P.O. Box 690269
Houston, TX 77269

FILED and RECORDED

Instrument Number: 2014-02629 B: OR V: 473 P: 100

Filing and Recording Date: 10/31/2014 03:16:56 PM Recording Fee: 46.00

I hereby certify that this instrument was FILED on the date and time stamped heron and RECORDED in the OFFICIAL PUBLIC RECORDS of Jackson County, Texas.



A handwritten signature in black ink, appearing to read "Barbara Williams", is written over a horizontal line.

Barbara Williams, County Clerk
Jackson County, Texas

ANY PROVISION CONTAINED IN ANY DOCUMENT WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE REAL PROPERTY DESCRIBED THEREIN BECAUSE OF RACE OR COLOR IS INVALID UNDER FEDERAL LAW AND IS UNENFORCEABLE.

