

**NOTICE OF TURNOVER**

STATE OF TEXAS

§

COUNTY OF MONTGOMERY

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WHEREAS, the First Amended and Restated Bylaws of the Grand Harbor Property Owners Association, Inc. (the "Association") was recorded on March 13, 2006, under Montgomery County Clerk's No. 2006026202 (the "Bylaws"); and

WHEREAS, any words used in this Notice of Turnover shall have the same meaning as set forth in the Bylaws, unless otherwise specified herein; and

WHEREAS, Article I (C) of the Bylaws defines Declarant to mean any person or entity so defined in the declarations filed of record submitting the various sections of the Grand Harbor subdivision to the jurisdiction of the Association, and

WHEREAS, Article III (A) 5 of the Bylaws, states in pertinent part:

At the first annual meeting following: (1) the sale of one hundred percent (100%) of the platted lots; (2) the Declarant releasing the Declarant Control Period and its authority to appoint all members of the Board of Directors as evidenced by an instrument recorded in the Real Property Records of Montgomery County; or (3) or April 16, 2009, whichever occurs first, the Members shall elect one (1) director for a term of one (1) year, one (1) director for a term of two (2) years and one (1) director for a term of three (3) years and at annual meetings thereafter, the Members shall elect directors for two-year terms; and

WHEREAS, on July 11, 2007, the Association held a Special Meeting to elect directors to the Association (the "Meeting"); and

WHEREAS, the Declarant released its authority to appoint members of the Board of Directors prior to the Meeting.

WHEREAS, the Declarant for all sections of Grand Harbor operated under the d/b/a of Grand Harbor.

NOW, THEREFORE, the Declarant does hereby confirm that the Declarant's authority to appoint members of the Board of Directors was released prior to the Meeting, and does further ratify and confirm in all respects that at the inception of the Meeting, the authority to elect the Board of Directors rested in the Members of the Association.