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**AMENDED AND RESTATED MAINTENANCE DECLARATION  
FOR THE VILLAS OF HARBOR LAKES  
(Section 3, Lots 1-29, Harbor Lakes)**

**THIS AMENDED AND RESTATED MAINTENANCE DECLARATION FOR THE VILLAS OF HARBOR LAKES** ("Restated Maintenance Declaration") is made on the date hereinafter set forth by Lumbermen's Investment Corporation, a Delaware corporation, hereinafter referred to as the "Declarant" and the Current Owners (as hereinafter defined) along with the joinder of Harbor Lakes Homeowners Association, Inc. (the "Master Association").

WITNESSETH

**WHEREAS**, on July 8, 2004, Declarant caused to be recorded in Volume 2023, Page 0244 of the Real Property Records of Hood County, Texas, that certain Maintenance Declaration for The Villas of Harbor Lakes (the "Original Maintenance Declaration") covering the Property (as hereinafter defined);

**WHEREAS**, pursuant to Section 2 of Article VI of the Original Maintenance Declaration, the Original Maintenance Declaration may be amended by an agreement signed by the Master Association and the Owners constituting not less than seventy-five percent (75%) of the total voters, in the aggregate, of the Maintenance Association.

**WHEREAS**, Declarant and the Current Owners whose names appear on the signature pages of one or more of the multiple counterparts of this Restated Maintenance Declaration with the consent and joinder of the Master Association pursuant to Section 2 of Article VI of the Original Maintenance Declaration desire to amend and restate the Original Maintenance Declaration in its entirety to provide, among other matters, a reserve fund for the maintenance of private streets owned by the Maintenance Association (as hereinafter defined).

**WHEREAS**, Declarant and the Current Owners desire to subject the Property and Lots (as hereinafter defined) to certain maintenance covenants, conditions and restrictions pursuant to the terms and provisions of this Maintenance Declaration;

**NOW, THEREFORE**, the Declarant (with the joinder of the Current Owners and the Master Association) declare that the Affected Lots (hereinafter described) shall be held, sold and conveyed subject to the restrictions, covenants and conditions declared below, all of which shall be deemed to be covenants running with the land and imposed on and intended to benefit and burden each Affected

Lot and other portions of the Property in order to maintain within the Property a planned community of high standards. All of such covenants shall be binding on all parties having any right, title or interest in the Property or any part thereof, their respective heirs, personal representatives, successors and assigns, and shall inure to the benefit of each Declarant, Successor Declarant (as hereinafter defined), if any, Master Association, Maintenance Association, and Owner (as hereinafter defined) thereof.

This Restated Maintenance Declaration amends, restates and supercedes the Original Maintenance Declaration in its entirety.

## ARTICLE I DEFINITIONS

Section 1. "Property" shall mean and refer to Section 3 of Harbor Lakes, as recorded in Cabinet B, Slide 310 of the Plat Records of Hood County, Texas, and such additions thereto as may be brought within the jurisdiction of the Association and be made subject to this restated Maintenance Declaration.

Section 2. "Maintenance Association" shall mean and refer to the Villas of Harbor Lakes Homeowners Maintenance Association, Inc., a Texas not-for-profit corporation established for the purpose set forth herein.

Section 3. "Lot" shall mean and refer to any plot of land indicated upon any recorded subdivision plats or maps of the Property or any part thereof creating single family homesites and being Lots 1 through 29 of Section 3 of Harbor Lakes.

Section 4. "Affected Lot" shall mean and refer to those Lots now existing on the Property or such lots that are hereafter added to the membership of the Maintenance Association from time to time as allowed by this Restated Maintenance Declaration.

Section 5. "Unit" shall mean and refer to any residential dwelling situated upon any Lot.

Section 6. "Owner" shall mean and refer to the record owner, whether one of more persons or entities, of a fee simple title to any Affected Lot, including contract sellers, but excluding those having an interest merely as security for the performance of an obligation.

Section 7. "Declarant" shall mean and refer to Lumbermen's Investment Corporation, a Delaware corporation, its successors and assigns who are specifically designated as the

successor-in-interest to the Declarant in writing by the Declarant, and who consent in writing to assume the rights, benefits, duties and obligations of the Declarant.

Section 8. "Maintenance Areas" shall mean and refer to easements and areas designated from time to time by the Board of Directors of the Maintenance Association that are within the boundaries of the perimeter security fence enclosing The Villas of Harbor Lakes, including, but not limited to, perimeter fences, walls, gates, gate controllers, private streets and storm water drainage systems (including inlets and storm water drainage pipes) owned by the Association, sprinkler systems and such portions of the yards of each Affected Lot that are located outside the perimeter of any private fences owned by the Owner of an Affected Lot, (excluding, however, backyards) wherein lawns, trees and shrubs are planted and maintained and/or those portions of the private streets owned by the Association outside the boundaries of the perimeter security fence enclosing The Villas of Harbor Lakes.

Section 9. "Restated Maintenance Declaration" shall mean and refer to this Amended and Restated Maintenance Declaration for The Villas at Harbor Lakes, and any amendments, annexations and supplements thereto made in accordance with its terms.

Section 10. "Master Association" shall mean and refer to the Harbor Lakes Homeowners Association, Inc.

Section 11. "Master Declaration" shall mean and refer to that certain Amended and Restated Declaration of Covenants, Conditions and Restrictions for Harbor Lakes dated June 15, 2001 and filed in Volume 1755, Page 0738 of the Real Property Records of Hood County, Texas, as amended and supplemented from time to time.

Section 12. "Successor Declarant" shall mean the entity or person designated in writing by the Declarant to be the Declarant's successor-in-intent to the rights, benefits, duties and obligations of Declarant and who has expressly consented in writing to accept such rights, benefits, duties and obligations of Declarant.

Section 13. "Current Owners" shall mean those Owners who have voted in favor of this Restated Maintenance Declaration, as evidenced by their signature on one or more of the counterparts of this Restated Maintenance Declaration filed of record in Hood County, Texas.

**ARTICLE II**  
**THE VILLAS OF HARBOR LAKES MAINTENANCE ASSOCIATION, INC.**

Section 1. Membership. The Declarant and every other Owner of an Affected Lot shall be a member of the Maintenance Association. Membership shall be appurtenant to and shall not be separated from ownership of any Affected Lot. Every member shall have the right at all reasonable times during business hours to inspect the books of the Maintenance Association.

Section 2. Funding. Subject to the terms of this Article, Declarant, for each Affected Lot owned by Declarant, hereby covenants to pay, and each Owner of any Affected Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, covenants and agrees to pay (as a portion of the consideration and purchase money paid by each such Owner for such Affected Lot) to the Maintenance Association: (1) Annual Maintenance Assessments (hereinafter defined) or charges, (2) Special Maintenance Assessments (as hereinafter defined), and Road and Storm Water Drainage System Maintenance Assessments (as hereinafter defined), such assessments to be established and collected as hereinafter provided. Said assessments will remain effective for the full term (and extended term, if applicable) of this Maintenance Declaration. The Annual Maintenance Assessments, Special Maintenance Assessments and Road and Storm Water Drainage System Maintenance Assessment, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall run with the land and be a continuing lien upon the Lot against which such Annual Maintenance Assessment, Special Maintenance Assessment and Road and Storm Water Drainage System Maintenance Assessment is made. Each Annual Maintenance Assessment, Special Maintenance Assessment and Road and Storm Water Drainage System Maintenance Assessment, together with interest, costs and reasonable attorney's fees shall also be the personal obligation of the person who was the Owner of such Affected Lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to the successors in title of such Owner unless expressly assumed by them.

Section 3. Assessments.

(a) Annual Maintenance Assessments. Subject to the terms of this Article, each Affected Lot (other than those Affected Lots not subject to assessments hereunder) is hereby subject to an initial annual maintenance assessment (the "Annual Maintenance Assessment") of \$480.00 per annum commencing in year 2004; provided however, that the Annual Maintenance Assessment may not be increased by the Board of Directors of the Maintenance Association each year by more than twenty percent (20%) above the Cumulative Maximum Annual Maintenance Assessment Amount (as hereinafter defined) for the prior year without the necessity of a vote of the members of the Association in accordance with the By-Laws of the Association. The term "Cumulative Maximum Annual Maintenance Assessment

Amount" shall mean the maximum accumulated amount the Board of Directors could have assessed and charged Affected Lots and their Owners as an Annual Maintenance Assessment in any given year regardless of whether or not the Board of Directors in fact assessed such amount against the Affected Lots. The Cumulative Maximum Annual Maintenance Assessment Amount shall increase automatically by twenty percent (20%) over the prior year's Cumulative Maximum Annual Maintenance Assessment Amount and shall continue to accumulate each year without any action of the Board of Directors. For example, the Cumulative Maximum Annual Maintenance Assessment Amount for the year 2004 shall be \$480.00; the Cumulative Maximum Annual Maintenance Assessment Amount for the year 2005 shall be \$576.00, and the Cumulative Maximum Annual Maintenance Assessment Amount for the year 2006 shall be \$691.20. The Association shall create a fund to be designated and known as the "Maintenance Assessment Fund". The Annual Maintenance Assessment will be paid by the Owner of each Affected Lot (except as set forth below), commencing as to an Affected Lot on the earlier to occur of (i) one hundred eighty (180) days after the conveyance of such Affected Lot to a Class A member by Declarant or by another Class B member; (ii) completion of a Unit on such Affected Lot owned by a Class A member; or (iii) issuance of a certificate of occupancy for the Unit; however, no Affected Lot owned by Declarant, successors-in-interest to Declarant (regardless of whether Declarant or successors-in-interest to Declarant is a Class A member or a Class B member) shall be subjected to any assessments unless and until the earlier of a Unit is completed on such Affected Lot or a certificate of occupancy is issued by the appropriate governmental authority. Any increase in the rate at which each Affected Lot subject to assessments, including the Annual Maintenance Assessments, Special Maintenance Assessments and Road and Storm Water Drainage System Maintenance Assessments, will be assessed, and whether such assessment shall be payable monthly, quarterly or annually, will be determined by the Board of Directors of the Maintenance Association, subject to the limitation set forth herein. The Annual Maintenance Assessment may be adjusted up to the applicable Cumulative Maximum Annual Maintenance Assessment Amount from time to time by the Board of Directors as the needs of the Maintenance Association may, in the judgment of the Board of Directors, require. Except as set forth above with respect to an Affected Lot owned by Declarant or successors-in-interest to Declarant (regardless of class of membership), the assessment for each Affected Lot shall be uniform. The Maintenance Association shall, upon written demand and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether or not the assessment has been paid for the assessment period.

(b) Purpose of Maintenance Assessment Fund. The Maintenance Association shall establish a Maintenance Assessment Fund composed of the Owners' Annual Maintenance Assessments and shall use the proceeds of such fund

for normal, recurring maintenance charges related to the Maintenance Areas. Such uses and benefits to be provided by the Maintenance Association may include, by way of clarification and not limitation, any and all of the following: normal, recurring maintenance of the Maintenance Areas (including, but not limited to, maintaining of perimeter fences, walls and gates encompassing The Villas of Harbor Lakes, gate controllers, sprinkler systems, clearing, mowing, edging, reseeding, clipping, sweeping and raking of lawns, removing and/or replacing diseased or dead trees and shrubbery and otherwise caring for lawns, trees and shrubbery within the Maintenance Areas), provided, however, the Maintenance Association shall have no obligation (except as expressly provided hereinafter) to make capital improvements to the Maintenance Areas; payment of all legal and other costs and expenses incurred in connection with the enforcement of all recorded covenants, restrictions and conditions affecting the property to which the assessment fund applies, including without limitation costs and expenses paid or incurred in connection with obtaining insurance that the Board of Directors deem necessary and payment of all reasonable and necessary expenses in connection with the collection and administration of the assessments; engagement of a manager or management firm to maintain all or any portion of the Maintenance Areas, and doing any other thing or things necessary or desirable in the opinion of the Board of Directors of the Maintenance Association to keep the Maintenance Area neat and in good order, or which is considered of general benefit to the Owners or occupants of the Property, it being understood that the judgment of the Board of Directors in the expenditure of said funds and the determination of what constitutes normal, recurring maintenance of the Maintenance Area shall be final and conclusive so long as such judgment is exercised in good faith. The Maintenance Association may, but is not required to, establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of grass, trees and shrubs within the Maintenance Area. The fund may be established and maintained out of regular Annual Maintenance Assessments. Declarant has the right, but not obligation, to separately contract and pay for mowing, watering and lawn care on all or any of the Affected Lots owned by Declarant on which no Unit is constructed.

(c) Special Maintenance Assessment for Nonrecurring Maintenance. In addition to the Annual Maintenance Assessments authorized above, the Maintenance Association may, by a vote of two-thirds (2/3) of the total votes, in the aggregate, of the Maintenance Association members, in the aggregate, who are voting in person or by proxy at a meeting called for this purpose, levy Special Maintenance Assessments as follows: in any assessment year, a Special Maintenance Assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any

nonrecurring maintenance upon the Maintenance Area. Such proceeds shall be used solely and exclusively to fund the nonrecurring maintenance in question.

(d) Road and Storm Water Drainage System Maintenance Assessment. Subject to the terms of this Article, each Affected Lot (other than those Affected Lots not subject to assessments hereunder) is hereby subject to an initial annual road and storm water drainage system maintenance assessment (the "Road and Storm Water Drainage System Maintenance Assessment") of \$100.00 per annum commencing in year 2004; provided however, that the annual Road and Storm Water Drainage System Maintenance Assessment may not be increased by the Board of Directors of the Maintenance Association each year by more than twenty percent (20%) above the Cumulative Maximum Annual Road and Storm Water Drainage System Maintenance Assessment Amount (as hereinafter defined) for the prior year without the necessity of a vote of the members of the Association in accordance with the By-Laws of the Association. The term "Cumulative Maximum Annual Road and Storm Water Drainage System Maintenance Assessment Amount" shall mean the maximum accumulated amount the Board of Directors could have assessed and charged Affected Lots and their Owners as a Road and Storm Water Drainage System Maintenance Assessment in any given year regardless of whether or not the Board of Directors in fact assessed such amount against the Affected Lots. The Cumulative Maximum Annual Road and Storm Water Drainage System Maintenance Assessment Amount shall increase automatically by twenty percent (20%) over the prior year's Cumulative Maximum Annual Road and Storm Water Drainage System Maintenance Assessment Amount and shall continue to accumulate each year without any action of the Board of Directors. For example, the Cumulative Maximum Annual Road and Storm Water Drainage System Maintenance Assessment Amount for the year 2004 shall be \$100.00; the Cumulative Maximum Annual Road and Storm Water Drainage System Maintenance Assessment Amount for the year 2005 shall be \$120.00, and the Cumulative Maximum Annual Road and Storm Water Drainage System Maintenance Assessment Amount for the year 2006 shall be \$144.00. The Association shall create a fund to be designated and known as the "Road and Storm Water Drainage System Maintenance Assessment Fund". The Annual Road and Storm Water Drainage System Maintenance Assessment will be paid by the Owner of each Affected Lot (except as set forth below), commencing as to an Affected Lot on the earlier to occur of (i) one hundred eighty (180) days after the conveyance of such Affected Lot to a Class A member by Declarant or by another Class B member; (ii) completion of a Unit on such Affected Lot owned by a Class A member; or (iii) issuance of a certificate of occupancy for the Unit; however, no Affected Lot owned by Declarant, successors-in-interest to Declarant (regardless of whether Declarant or successors-in-

systems in subsequent years. The fund will be established and maintained out of regular annual Road and Storm Water Drainage System Maintenance Assessments.

Section 4. Non-payment of Assessments: Remedies of the Association. Any assessment not paid within ten (10) days after the due date shall bear interest from the due date at the highest non-usurious rate of interest allowed by Texas law or 18% per annum, whichever is less. The Maintenance Association shall have the authority to impose late charges to compensate for the administrative and processing costs of late payments on such terms as it may establish by duly adopted resolutions and the Maintenance Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien retained herein against the property, in accordance with the terms and provisions of Section 51.002 of the Texas Property Code, as amended, or otherwise. No Owner may waive or otherwise escape liability for the assessments provided for herein by abandonment of his Lot.

Section 5. Subordinated Lien to Secure Payment and Performance. To secure the payment of the assessments established hereby and to be levied on individual Affected Lots as above provided, and the performance by the Owners of the Affected Lots of all of the duties, obligations and indebtedness of such Owners as set forth herein and in the Bylaws of the Maintenance Association, there is hereby reserved a lien for the benefit of the Maintenance Association, Declarant, Successor Declarant, and the Master Association, said lien to be enforceable through appropriate proceedings at law or in equity by such beneficiary; provided, however, that each such lien shall be specifically made secondary, subordinate and inferior to all liens, present and future, given, granted, and created by or at the insistence and request of the Owner of any such Affected Lot to secure the payment of monies advanced or to be advanced on account of the purchase price and/or the improvement of any such Affected Lot; and further provided that as a condition precedent to any proceeding to enforce such lien upon any Affected Lot upon which there is an outstanding valid and subsisting first mortgage lien, said beneficiary shall give the holder of such first mortgage sixty (60) days written notice of such proposed action, such notice, which shall be sent to the nearest office of the lienholder by prepaid U.S. registered mail, to contain the statement of the delinquent maintenance charges upon which the proposed action is based. Upon the request of any such first mortgage lienholder, any such beneficiary shall acknowledge in writing its obligation to give the foregoing notice with respect to the particular property covered by such first mortgage lien to the holder thereof. Sale or transfer of an Affected Lot shall not affect the assessment lien. However, the sale or transfer of any Affected Lot pursuant to mortgage foreclosure shall extinguish the lien of such assessment as to payments which became due prior to such sale or transfer. No sale, foreclosure or transfer shall relieve such Affected Lot from liability for any assessments thereafter becoming due or from the lien thereof. The Maintenance Association, Declarant, Successor Declarant and/or the Master Association shall have the right to file notices of liens in the Real Property Records of Hood County, Texas.



interest to Declarant is a Class A member or a Class B member) shall be subjected to any assessments unless and until the earlier of a Unit is completed on such Affected Lot or a certificate of occupancy is issued by the appropriate governmental authority.

Any increase in the rate at which each Affected Lot subject to the Road and Storm Water Drainage System Maintenance Assessment will be assessed, and whether such assessment shall be payable monthly, quarterly or annually, will be determined by the Board of Directors of the Maintenance Association. The Road and Storm Water Drainage System Maintenance Assessment may be adjusted up to the applicable Cumulative Maximum Annual Road and Storm Water Drainage System Maintenance Assessment Amount from time to time by the Board of Directors as the needs of the Maintenance Association may, in the judgment of the Board of Directors, require, provided such needs relate to the private roads and the private storm water drainage system owned by the Association and for no other purpose. Except as set forth above with respect to an Affected Lot owned by Declarant or successors-in-interest to Declarant (regardless of class of membership), the assessment for each Affected Lot shall be uniform. The Maintenance Association shall, upon written demand and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether or not the assessment has been paid for the assessment period.

(e) Purpose of Road and Storm Water Drainage System Maintenance Assessment Fund. The Maintenance Association shall establish a Road and Storm Water Drainage System Maintenance Assessment Fund composed of the Owners' Annual Road and Storm Water Drainage System Maintenance Assessments and shall use the proceeds of such fund for recurring and non-recurring maintenance charges related to the private streets and the private storm water drainage system owned by the Maintenance Association, including capital improvements to such private streets and private storm water drainage systems. Such uses and benefits to be provided by the Maintenance Association may include, by way of clarification and not limitation, any and all of the following: street and pothole repairs and maintenance, street paving, removing, improving and replacing and storm water system repairs and maintenance and storm water drainage system improvements and replacement. It is understood that the judgment of the Board of Directors in the expenditure of said funds and the determination of what constitutes maintenance, repair, replacement and improvements of the streets and storm water drainage systems shall be final and conclusive so long as such judgment is exercised in good faith. Unused funds in the Road and Storm Water Drainage System Maintenance Assessment Fund at the end of each year shall be maintained as a reserve fund for the periodic maintenance, repair, replacement and improvement of such private streets and storm water drainage

Section 6. Voting Rights. The Association shall have two classes of voting membership:

(a) Class A. Class A members shall be all Owners with the exception of Declarant and shall be entitled to one (1) vote for each Affected Lot owned. When more than one person holds an interest in any Affected Lot, all such persons shall be members, but the vote for such Affected Lot shall be exercised as they among themselves determine, and in no event shall more than one (1) vote be cast with respect to any Affected Lot.

(b) Class B. Declarant and Declarant's successor-in-interest shall be Class B members. Each Class B member shall be entitled to thirty (30) votes for each unoccupied Affected Lot owned by it. The Class B membership shall cease and be converted to Class A membership one hundred twenty (120) days after the conveyance of the Affected Lot which results in Declarant and/or Declarant's successor-in-interest owning no more than ten (10) Affected Lots or three (3) years after conveyance of the first Affected Lot by Declarant, whichever occurs earlier. Class B membership shall be reinstated at any time before the expiration of twenty (20) years from the date of conveyance of the first Affected Lot if additional Affected Lots owned by a Class B member are annexed to this Declaration in sufficient numbers so that such Class B member owns more than ten (10) Affected Lots.

(c) Suspension. All voting rights of an Owner shall be suspended during any period in which such Owner is delinquent in the payment of any assessment duly established pursuant to this Article or is otherwise in default hereunder or under the By-Laws or Rules and Regulations of the Maintenance Association and such suspension shall apply to the proxy authority of the voting representative, if any.

Section 7. Notice and Quorum. Written notice of any meeting called for the purpose of taking any action authorized herein shall be sent to all members, or delivered to their residences, not less than fifteen (15) days nor more than fifty (50) days in advance of the meeting. At any such meeting called, the presence of members or of proxies or voting representatives entitled to cast two-thirds (2/3) of the total votes, in the aggregate, of the Maintenance Association shall constitute a quorum of all the votes. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at such subsequent meeting shall be two-thirds (2/3) of the quorum requirement for such prior meeting. The Maintenance Association may call as many subsequent meetings as may be required to achieve a quorum (the quorum requirement being reduced for each such meeting in accordance with the terms and provisions of the immediately preceding sentence). No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

**ARTICLE III  
GENERAL POWERS AND DUTIES OF  
BOARD OF DIRECTORS OF THE ASSOCIATION**

Section 1. Purpose of Funds. The Board of Directors, for the benefit of the Owners, shall provide and shall pay out of the funds provided for in Article II above as follows:

- (a) Maintenance Assessment Fund:
  - (i) Care, maintenance and preservation of the Maintenance Area.
  - (ii) The services of a professional person or management firm to manage the Maintenance Association or any separate portion thereof to the extent deemed advisable by the Board of Directors, and the services of such other personnel as the Board of Directors shall determine to be necessary or proper for the operation of the Maintenance Association, whether such personnel are employed directly by the Board of Directors or by the manager.
  - (iii) Legal and accounting services.
  - (iv) A policy or policies of insurance insuring the Maintenance Association against any liability to the public or to the Owners (and/or invitees or tenants) incident to the operation of the Maintenance Association in such amount or amounts as determined by the Board of Directors, including a policy or policies of insurance.
  - (v) Workers compensation insurance to the extent necessary to comply with any applicable laws.
  - (vi) Such fidelity bonds as may be required by the Board of Directors may determine to be advisable.

(vii) Any other materials, supplies, insurance, labor, services, maintenance, repairs, taxes or assessments (including taxes or assessments assessed against an individual Owner) which the Board of Directors is required to obtain or pay for pursuant to the terms of this Maintenance Declaration or by law or which in its opinion shall be necessary or proper for the enforcement of this Declaration.

(b) Road and Storm Water Drainage System Maintenance Assessment Fund:

(i) Care, maintenance, resurfacing, replacement and preservation of the private streets and private storm water drainage systems owned by the Maintenance Association.

(ii) Repairing, replacing and rebuilding of the private streets owned by the Maintenance Association.

(iii) Repairing, replacing and rebuilding of storm water drainage systems owned by the Maintenance Association.

Section 2. Powers and Duties of Board of Directors. The Board of Directors, for the benefit of the Owners, shall have the following general powers and duties, in addition to the specific powers and duties provided for herein and in the By-Laws of the Maintenance Association:

(a) To borrow funds to pay costs of operation secured by assignment or pledge of rights against delinquent Owners if the Board of Directors sees fit.

(b) To enter into contracts, maintain one or more bank accounts, and generally to have all the power necessary or incidental to the operation and management of the Maintenance Association.

(c) To make available for inspection by Owners within sixty (60) days after the end of each year an annual report and to make all books and records of the Maintenance Association available for inspection by Owners at reasonable times and intervals.

(d) To adjust the amount, collect and use any insurance proceeds to repair damage or replace lost property, and if proceeds are insufficient to repair damage or replace lost property, to assess the Owners in proportionate amounts to cover the deficiency.

(e) To establish rules with respect to requiring each Owner to maintain certain aspects of the Maintenance Area located on such Owner's own Affected Lot, such as requiring each Owner to water lawns, trees and shrubs at such Owner's sole cost and expense. To enforce the provisions of any rules made hereunder and to enjoin and seek damages from any Owner for violation of such provisions or rules, as the Board of Directors sees fit.

(f) To collect all assessments and enforce all penalties for non-payment including the filing of liens and institution of legal proceedings, as the Board of Directors sees fit.

(g) To contract with the Maintenance Association and/or third parties to maintain the Maintenance Association and Maintenance Areas, including, but not limited to contracting with the Master Association or Declarant.

Section 3. Board Powers Exclusive. Except as otherwise provided elsewhere herein, including, but not limited to Article VII below, the Board of Directors shall have the exclusive right to contract for all goods, services and insurance, payment of which is to be made from the Maintenance Assessment Fund, Special Assessment Fund and the Road and Storm Water Drainage System Maintenance Assessment Fund and the exclusive right and obligation to perform the functions of the Board of Directors. Nothing contained herein shall be construed as limiting Declarant, Successor Declarant and/or Master Association's rights and remedies set forth in Article VII below or any other rights retained by Declarant and/or granted to Successor Declarant and/or Master Association, including, but not limited to, the right to exercise the exclusive powers granted to the Board of Directors under this Article III.

Section 4. Maintenance Contracts. The Board of Directors, on behalf of the Maintenance Association, shall have full power and authority to contract with any Owner, the Declarant, the Master Association or any other person or entity for the performance by the Maintenance Association of services which the Board of Directors is not otherwise required to perform pursuant to the terms hereof, such contracts to be upon such terms and conditions and for such consideration as the Board of Directors may deem proper, advisable and in the best interest of the Maintenance Association, and in compliance with all applicable laws, rules and regulations.

**ARTICLE IV  
EASEMENTS**

Section 1. Maintenance Easements. Declarant hereby reserves the right to grant perpetual, nonexclusive easements for the benefit of Declarant, Successor Declarant, Maintenance Association and the Master Association and their designees upon, across, over, through and under any portion of the Maintenance Area of any Affected Lot and such additional area of such Affected Lot as reasonably required for the providing of ingress and egress in connection with maintenance of the Maintenance Area. Upon cessation of Class B membership, Master Association and the Maintenance Association shall each have the right to grant the easements described herein.

Section 2. Maintenance Easement. All Affected Lots shall be subject to easement of ingress and egress for the benefit of the Declarant, Successor Declarant, the Maintenance Association and the Master Association and their respective employees, subcontractors, successors and assigns, over and upon the Maintenance Area of each Affected Lot as may be reasonably expedient or necessary for lawn and yard maintenance, including, but not limited to, clearing, mowing, edging, clipping, sweeping, reseeding and raking lawns, pruning, removing and/or replacing diseased or dead trees and shrubbery and otherwise caring for lawns, trees and shrubbery within the Maintenance Area.

All easements herein described are easements appurtenant to and running with the land; they shall at all times inure to the benefit of Declarant, Successor Declarant, Master Association, Maintenance Association and Owners and shall at all times be binding upon the Owners, and all of their grantees, and their respective heirs, successors, personal representatives and assigns, perpetually and in full force.

**ARTICLE V  
ANNEXATION**

Section 1. Annexation by Declarant. At any time during the initial term of this Restated Maintenance Declaration, the Declarant may, at its sole option, annex additional property to this Restated Maintenance Declaration to be subject to the terms hereof to the same extent as if originally included herein and subject to such other terms, covenants, conditions, easements and restrictions as may be imposed thereon by Declarant. Annexation shall be evidenced by a written Declaration of Annexation executed by Declarant setting forth the legal description of the property being annexed and the restrictive covenants to be applied to such annexed property.

Section 2. Annexation by Action of Members. At any time the Board of Directors may request approval of the membership for the annexation of additional property into the Maintenance Association to be subject to all of the terms of this Maintenance Declaration to the same extent as if

originally included herein. No such annexation shall be effective unless approved in writing by members entitled to cast two-thirds (2/3) of the total votes in both classes of membership

Section 3. No Duty to Annex. Nothing herein contained shall establish any duty or obligation on the part of the Declarant or any member to annex any additional property to this Declaration.

Section 4. Effect of Annexation on Class B Membership. In determining the number of Affected Lots owned by Declarant for the purpose of Class B membership status according to Article II, Section 6, the total number of Affected Lots covered by this Restated Maintenance Declaration including all Affected Lots annexed thereto shall be considered. If Class B membership has previously expired but annexation of additional property restores the ratio of Affected Lots owned by Declarant to the number required for Class B membership, such Class B Membership shall be reinstated.

## ARTICLE VI GENERAL

Section 1. Remedies. In the event of any default by any Owner under the provisions of this Restated Maintenance Declaration, By-Laws or rules and regulations of the Maintenance Association, Declarant, Successor Declarant, Maintenance Association, Master Association and/or any Owner shall have each and all of the rights and remedies which may be provided for in this Restated Maintenance Declaration, the By-Laws and said rules and regulations, and those which may be available at law or in equity (including without limitation the rights and remedies set forth in Section 51.002 of the Texas Property Code, as amended), and may prosecute any action or other proceedings against such defaulting Owner and/or others for enforcement of any lien, statutory or otherwise, including foreclosure of such lien and the appointment of a receiver for the Affected Lot and ownership interest of such Owner, or for damages or injunction, or specific performance, or for judgment for the payment of the money and collection thereof, or for any combination of the remedies, or for any other relief. No remedies herein provided or available at law or in equity shall be deemed mutually exclusive of any other such remedy. All expenses of the Declarant, Successor Declarant, Maintenance Association, Master Association or any other Owner in connection with any such actions or proceedings, including court costs and attorney's fees and other fees and expenses, and all damages, permitted by law from the due date until paid, shall be charged to and assessed against such defaulting Owner, and shall be added to and deemed part of the respective maintenance assessment (to the same extent as the lien provided herein for unpaid assessments) upon the Affected Lot and upon all of his additions and improvements thereto, and upon all of his personal property upon the Affected Lot. Any and all of such rights and remedies may be exercised at any time and

from time to time, cumulatively or otherwise, by Declarant, Successor Declarant, Maintenance Association, Master Association or any other Owner.

Section 2. Term and Amendments. The covenants and restrictions of this Maintenance Declaration shall run with and bind the land for a term of twenty (20) years from the date this Maintenance Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless seventy-five percent (75%) of the total votes, in the aggregate, of the Maintenance Association shall have voted to terminate the covenants and restrictions of this Restated Maintenance Declaration (and such termination is consented to in writing by the Master Association) upon the expiration of the initial twenty (20) year period or any extension thereof, which termination shall be by written instrument signed by seventy-five percent (75%) of the total Owners, in the aggregate, and the Master Association, and properly recorded in the Real Property Records of Hood County, Texas. This Restated Maintenance Declaration may be amended by an instrument signed by the Master Association and by Owners constituting not less than seventy-four percent (74%) of the total votes, in the aggregate, of the Maintenance Association. Any amendment must be recorded. Notwithstanding any provisions hereof to the contrary, the Declarant may, at its sole discretion and without consent being required of anyone, (i) modify, amend, or repeal this Restated Maintenance Declaration at any time prior to the closing of the sale of the first Affected Lot, provided said amendment, modification, or repeal is in writing and properly recorded in the Real Property Records of Hood County, Texas and/or (ii) amend this Restated Maintenance Declaration to cause this Restated Maintenance Declaration to be in compliance with any and all applicable laws, rules and regulations (including without limitation any and all applicable laws, rules and regulations of the Federal Housing Administration and/or the Veterans Administration).

Section 3. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 4. Rights and Obligations. The provisions of this Restated Maintenance Declaration and the Articles of Incorporation and By-Laws and the rights and obligations established thereby shall be deemed to be covenants running with the land and shall inure to the benefit of Declarant, Successor Declarant, Maintenance Association, Master Association and the Owners, and shall be binding upon, each and all of the Owners and their respective heirs, representatives, successors, assigns, purchasers, grantees and mortgagees. By the recording or the acceptance of a deed conveying a Affected Lot of any ownership interest in the Affected Lot whatsoever, the person to whom such Affected Lot or interest is conveyed shall be deemed to accept and agree to be bound by and subject to all of the provisions of this Declaration and the Articles of Incorporation and By-Laws, whether or not mention thereof is made in said deed.



Section 5. Headings. The headings contained in this Restated Maintenance Declaration are for reference purposes only and shall not in any way affect the meaning or interpretation of this Restated Maintenance Declaration.

Section 6. Conflicts. In the event of conflict between the terms of this Restated Maintenance Declaration and the Bylaws, rules, regulations or Articles of Incorporation of the Association, this Restated Maintenance Declaration shall control.

Section 7. Enforceability by City of Granbury. All rights granted or retained by the Association hereunder shall inure to the benefit of, and be enforceable by, the City of Granbury, Texas.

Section 8. Counterparts. This Restated Maintenance Declaration may be executed in one or more counterparts, all of which, when taken together, shall constitute one and the same Declaration. The non-joinder of one or more Owners shall not affect the enforceability of this Restated Maintenance Declaration against all of the Affected Lots, unless less than seventy-five percent (75%) of the total votes, in the aggregate, of The Villas of Harbor Lakes Homeowners Association, Inc. do not execute counterparts of this Restated Maintenance

**ARTICLE VII  
DECLARANT, SUCCESSOR DECLARANT AND  
MASTER ASSOCIATION'S RIGHTS AND REMEDIES**

All rights and powers retained by Declarant or granted to Successor Declarant, Master Association, Maintenance Association and Board of Directors of the Maintenance Association hereunder shall inure to the benefit of, and be enforceable by, Declarant, Successor Declarant, Master Association and their respective officers, employees and agents. Declarant, Successor Declarant, and/or Master Association are hereby granted the right to: (i) perform and discharge the responsibilities of the Maintenance Association and its Board of Directors with respect to the Maintenance Association's obligation to maintain the Maintenance Area or if the Maintenance Association fails to otherwise comply with any provisions of the Articles of Incorporation of the Maintenance Association, Bylaws of the Maintenance Association, this Restated Maintenance Declaration or any applicable City of Granbury codes or regulations; (ii) assess the Maintenance Association and Owners for all reasonable costs incurred by Declarant, Successor Declarant, and/or Master Association in performing the responsibilities of the Maintenance Association if the Maintenance Association fails to do so. A pro-rata amount of each such assessment will be a lien against each Affected Lot on which an Owner has failed to pay its assessment. Declarant, Successor Declarant and/or Master Association, after thirty (30) days written notice to the Maintenance Association of its failure to adequately maintain the Maintenance Area in the reasonable opinion of

Declarant, Successor Declarant, and/or Master Association and Maintenance Association's failure to take such steps as is reasonably necessary to maintain the Maintenance Area as required hereunder within such thirty (30) day period, may exercise the rights provided hereunder. The Maintenance Association expressly agrees to indemnify and hold Declarant, Successor Declarant, and Master Association harmless from any and all costs, expenses, suits, demands, liabilities or damages, including attorney's fees and costs of suit, incurred or resulting from Declarant, Successor Declarant, and/or Master Association in the event any one of the foregoing perform the obligations of the Maintenance Association.

IN WITNESS WHEREOF, the Declarant and the parties whose signatures below have caused this instrument to be executed on its behalf; attested and its corporate seal to be hereunto affixed as of the 30<sup>th</sup> day of July, 2004.

DECLARANT:

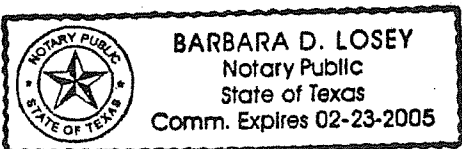
**LUMBERMEN'S INVESTMENT CORPORATION,**  
a Delaware corporation

By: [Signature]  
Name: John K. Pierret  
Title: Executive VP

THE STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on the 30<sup>th</sup> day of July, 2004, by John K. Pierret, as Executive VP of LUMBERMEN'S INVESTMENT CORPORATION, a Delaware corporation, on behalf of said corporation



[Signature]  
NOTARY PUBLIC, STATE OF TEXAS

COUNTERPART SIGNATURE PAGE FOR CURRENT OWNERS

CURRENT OWNER:

LUMBERMEN'S INVESTMENT CORPORATION,  
a Delaware corporation

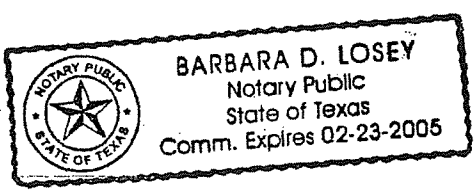
By: *John K. Perret*  
Name: *John K. Perret*  
Title: *Executive VP*

Number of Lots owned: 27 Lots out of 29 Lots

THE STATE OF TEXAS  
COUNTY OF DALLAS

*July* This instrument was acknowledged before me on the *30<sup>th</sup>* day of  
*July*, 2004, by *John K. Perret*, as *Executive VP* of  
LUMBERMEN'S INVESTMENT CORPORATION, a Delaware corporation, on behalf of said  
corporation

*Barbara D. Losey*  
NOTARY PUBLIC, STATE OF TEXAS



**JOINER**

The undersigned joins in the execution of this Restated Maintenance Declaration for the purpose of consenting to its amendment and reinstatement pursuant to the terms hereof.

Master Association:

Harbor Lakes Homeowners Association, Inc.

By: *John K. Perrot*  
It's President

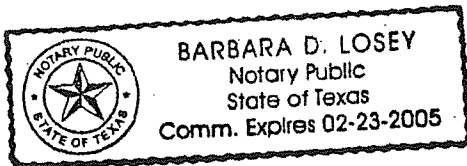
THE STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on the 30<sup>th</sup> day of July, 2004, by John K. Perrot, as President of HARBOR LAKES HOMEOWNERS ASSOCIATION, INC., a Texas not-for-profit corporation, on behalf of said corporation.

*Barbara D. Losey*

NOTARY PUBLIC, STATE OF TEXAS



2028  
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**SECRETARY CERTIFICATE**

The undersigned, secretary of The Villas of Harbor Lakes Homeowners Maintenance Association, Inc., certifies that based upon the signatures appearing on this and/or multiple counterparts of this Restated Maintenance Declaration that (i) more than seventy-five percent (75%) of the total votes, in the aggregate, of The Villas of Harbor Lakes Homeowners Association, Inc. and (ii) more than seventy-five percent (75%) of the owners of Lots in the subdivision of The Villas of Harbor Lakes have executed this Restated Maintenance Declaration and as a result of the foregoing, this Original Maintenance Declaration has been duly restated and amended by this Restated Maintenance Declaration in accordance with the Original Maintenance Declaration and is valid and effective.

The Villas of Harbor Lakes Homeowners Maintenance Association, Inc.

Secretary

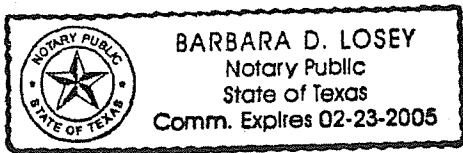
Any provision herein which restricts the sale, rental, or use of the described real property because of color or race is invalid and unenforceable under Federal law.  
STATE OF TEXAS COUNTY OF HOOD  
I hereby certify that this instrument was filed on the date and at the time stamped hereon by me and was duly RECORDED in the OFFICIAL PUBLIC RECORDS OF HOOD COUNTY TEXAS, in the Volume and Page as shown hereon.

THE STATE OF TEXAS  
COUNTY OF DALLAS



SALLY OUBRE, County Clerk  
Hood County, Texas

This instrument was acknowledged before me on the 30<sup>th</sup> day of July, 2004, by Mary McAlle, as Secretary of THE VILLAS OF HARBOR LAKES HOMEOWNERS ASSOCIATION, INC., a Texas not-for-profit corporation, on behalf of said corporation.



NOTARY PUBLIC, STATE OF TEXAS

FILED FOR RECORD  
AT 930 M.

AUG 02 2004

County Clerk, Hood County, TX