

**FILED**  
In the Office of the  
Secretary of State of Texas

MAY 11 2006

**Corporations Section**

ARTICLES OF INCORPORATION  
OF  
THE HOMEOWNERS ASSOCIATION OF LOS ARBOLES

I the undersigned, being a natural person over the age of twenty-one, a citizen of the State of Texas, acting as Incorporator of the above named Corporation under the Texas Non-Profit Corporation Act, do hereby adopt the following Articles of Incorporation for such Corporation.

ARTICLE I.

The name of the Corporation shall be "The Homeowners Association of Los Arboles".

ARTICLE II.

The Corporation shall be a Non-Profit Corporation.

ARTICLE III.

The period of the Corporation's duration shall be perpetual.

ARTICLE IV.

The Corporation is organized exclusively for charitable, religious, educational and scientific purposes, including for such purposes, the receiving and distribution of gifts to or from organizations that qualify as exempt organizations under section 501 (c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding provision of any future United States Internal Revenue Law or Regulation.

ARTICLE V.

The address of the initial registered office shall be 2110 Fort Worth Highway, Weatherford, Texas 76086, and the name of its initial registered agent shall be Craig Towson.

ARTICLE VI.

The number of Trustees constituting the initial Board of Trustees shall be five. The names and addresses of such persons who are to serve as Initial Trustees is:

Ed Stout  
8521 Wolf Hollow Road  
Millsap, Texas 76066

Mitzi Stout  
8521 Wolf Hollow Road  
Millsap, Texas 76066

Don Roach  
415 Jones Street  
Weatherford, Texas 76086

Carolyn Roach  
415 Jones Street  
Weatherford, Texas 76086

ARTICLE VII.

The name and address of the incorporator is:

Craig Towson  
2110 Fort Worth Highway  
Weatherford, Texas 76086

**ARTICLE VIII.**

The Corporation is a non-profit corporation, without capital stock, and no part of the net earnings of the Corporation shall inure to the benefit of, be distributed to or be loaned to its Board of Trustees, officers or other private person, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Articles of Incorporation.

No part of the activities of the Corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation and the Corporation shall not participate in, intervene in, including the publication and distribution of statements, any political campaign on behalf of any candidate for public office. The Corporation shall not carry on any other activities not permitted to be carried on by a non-profit corporation:

- A. exempt from section 501 (c)(3) of the Internal Revenue Code of 1986;
- B. whose contributions to it are deductible under section 170 (e)(2) of the Internal Revenue Code of 1986, as amended, or any corresponding provision of any other or future Internal Revenue Law or Regulation.

**ARTICLE IX.**

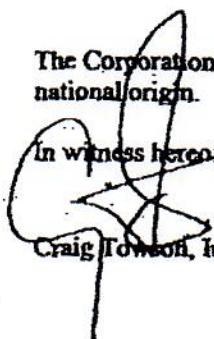
In the event of dissolution of the Corporation, the Board of Trustees shall, after paying and making provision for the payment of all liabilities of the Corporation, dispose of all of the assets of the Corporation exclusively for the purposes of the Corporation in such manner, or to such organizations organized and operated exclusively for charitable, educational, religious or scientific purposes as shall at the time qualify as an exempt organization under section 501 (c)(3) of the Internal Revenue Code of 1986, as amended.

Any such assets not so disposed of the Board of Trustees shall be disposed of by a Court of competent jurisdiction in the County in which the principal office of the Corporation is then locate, exclusively for such purposes or to such organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

**ARTICLE X.**

The Corporation shall not discriminate against any person on the basis of race, religion, gender or national origin.

In witness hereof, I have hereunto set my hand this the 11<sup>th</sup> day of May, 2006.



Craig Towson, Incorporator



DECLARATION OF COVENANTS,  
CONDITIONS AND RESTRICTIONS  
FOR  
LOS ARBOLES ESTATES

THIS DECLARATION is made this 15 day of June, 2006, Grindstone Partners, LP,  
hereinafter referred to as "Declarant".

WITNESSETH:



WHEREAS, Declarant is the owner of Los Árboles, an Addition to Parker County, Texas,  
according to the subdivision plat.

WHEREAS, Declarant desires to insure that the development and use of the Subdivision  
(hereinafter defined) will maximize the benefit of the unique, presently-existing topographical and  
aesthetic features offered by the Subdivision and to protect those qualities for all future property  
owners, and desires to establish and implement a system of covenants, conditions, restrictions, rules  
and regulations which are designed to take maximum advantage of the unique characteristics of the  
Subdivision while maintaining those same considerations for future generations and providing the  
framework that will support and enhance that quality of life and the security of that environment;  
and to this end, desires to subject the Subdivision to the covenants, conditions, restrictions,  
easements, charges and liens hereinafter set forth, to be binding upon each Owner of a Lot (as such  
terms are hereinafter defined); and

WHEREAS, Declarant desires to impose said covenants, conditions, restrictions, easements,  
charges and liens on the Subdivision and yet retain reasonable flexibility to respond to changing or  
unforeseen circumstances so as to control and maintain the first class quality and distinction of the  
Subdivision; and

WHEREAS, Declarant has deemed it desirable, and in the best interest of the residents and Owners  
of the Subdivision, for the efficient preservation of the values and amenities in said community, to  
create an entity to which would be delegated and assigned the powers of maintaining and  
administering the Common Areas and certain other property and improvements, enforcing these  
restrictions, covenants, easements, charges and liens, and collecting and disbursing the assessments  
and charges hereinafter created; and

WHEREAS, Declarant has caused to be incorporated Los Árboles Homeowners Association, a  
Texas non-profit corporation, and has designated it as such entity;

NOW, THEREFORE, Declarant hereby declares that the Subdivision is and shall be held  
transferred, sold, conveyed and occupied subject to the covenants, conditions, restrictions,  
easements, charges and liens (sometimes collectively referred to herein as the "Covenants,  
Conditions and Restrictions") hereinafter set forth. The covenants, conditions, restrictions, and  
easements hereinafter set forth are covenants running with the land at law as well as in equity, and  
shall constitute a general plan for the benefit of and enforceable by all present and future owners of  
all Lots in the Subdivision and their heirs, legal representatives, successors and assigns, as well as  
by Declarant and the aforesaid Los Árboles Homeowners Association.

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ARTICLE I.  
DEFINITIONS

The following words, when used in this Declaration or any amendment thereof (unless the context shall otherwise clearly indicate or prohibit), shall have the following meanings:

- (1) "Board" or "Board of Directors" shall mean and refer to the Board of Directors of the Corporation.
- (2) "Builder" shall mean any person or entity other than Declarant (whether one or more) which acquires a Lot for the purported purpose of building a structure thereon for occupancy, in whole or in part, by some other person or entity.
- (3) "Common Areas" shall mean and refer to all streets and roadways within the Subdivision which are so identified on the Plat or are intended to be devoted to the common use and enjoyment of the Owners.
- (4) "Corporation" shall mean and refer to Homeowner Association, a Texas non-profit corporation.
- (5) "Declarant" shall mean and refer to Grindstone Partners, LP, their successors and assigns who shall receive by written assignment all or a portion of Grindstone Partners, LP's rights hereunder as Declarant, any such successors or assigns also being herein sometimes referred to as "Successor Declarant". No person or entity merely purchasing one or more Lots from Grindstone Partners, LP, in the ordinary course of business, shall be considered as "Declarant".
- (6) "Lot" shall mean and refer to any one of the plots or tracts of land which is designated for separate ownership and numbered (or otherwise similarly identified) on the recorded subdivision maps or plats of the Subdivision (including the Plat), as said recorded subdivision maps or plats may be amended from time to time. All plat references include allowances for errors in boundaries created by construction.
- (7) "Member" shall mean and refer to each Owner of a Lot, as provided in Article III hereof.
- (8) "Owner" shall mean and refer to each and every person or business entity (whether one or more) who is a record owner of fee simple title to any Lot; however, the word "Owner" shall not include person(s) or entity(s) who hold a bona fide lien or interest in a Lot as security merely for the performance of an obligation (specifically including, but not limited to, any mortgagee or trustee under a mortgage or deed of trust) unless and until such mortgagee or trustee has acquired title pursuant to foreclosure or any proceeding in lien thereof.
- (9) "Subdivision" shall mean and refer to the real property described hereinabove, any improvements thereto, and any additions thereto pursuant to Article II hereof.

ARTICLE II.

## ADDITIONS TO SUBDIVISION

If Declarant at any time or times desires to add Supplemental Property to the scheme of this Declaration, it may do so by filing of record a Supplementary Declaration, which shall extend the scheme of Covenants, Conditions and Restrictions of this Declaration to such property. However, the Covenants, Conditions and Restrictions, as applied to the property which is so added, may be altered or modified by said Supplementary Declaration, which may contain additions, deletions and modifications from the Covenants, Conditions and Restrictions as necessary to reflect the different character, if any, of the added properties.

### ARTICLE III.

#### MEMBERSHIP AND VOTING RIGHTS IN THE CORPORATION

- (1) **Membership.** Every Owner of a Lot shall automatically be a Member of the Corporation and must remain a Member of the Corporation in good standing, which shall include but not be limited to paying dues, for so long as such party remains an Owner.
- (2) **Voting Rights.** The Corporation shall have two (2) classes of voting membership, Class A and Class B. Class A Members shall be entitled to one vote for each Lot owned, and the Class B Member shall be entitled to 100 votes for each Lot owned. The Class B membership shall cease and the Class B Member shall become a Class A Member upon the later to occur of the following:
  - (a) when Declarant shall have conveyed (other than to a Successor Declarant) all of the Lots within the Subdivision and the Supplementary Property, if any; or
  - (b) December 31, 2011.

From and after such conversion, all Members of the Corporation shall be Class A members and each Member shall thereupon be entitled to one (1) vote for each Lot owned. Notwithstanding the foregoing, an Owner who is a Class B Member may elect to become a Class A member at any time by written notice to the Corporation. When more than one person or entity has an ownership interest in any Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they, among themselves, determine, but in no event shall more than one (1) vote [or 100 votes, in the case of a Class B Member] be cast with respect to such Lot. A person's or entity's membership in the Corporation shall terminate automatically whenever such person or entity ceases to be an Owner, but such termination shall not release or relieve any such person or entity from any liability or obligation incurred under or in any way connected with the Corporation or this Declaration during the period of such ownership, or impair any rights or remedies which the Corporation, Declarant or any owner has with regard to such former Owner. Declarant, or any Successor Declarant, may retain the voting rights incident to any Lot it may convey to a Builder, until such time as such Lot is occupied by the Owner thereof or such owner's tenant.

- (3) **Quorum, Voting and Notice Requirements.** Members holding sixty percent (60%) of the votes entitled to be cast, represented in person or by legitimate proxy, shall constitute a

quorum. The vote of the majority of the votes entitled to be cast by the members present, or represented by legitimate proxy, at a meeting at which a quorum is present, shall be the act of the Members meeting, unless the vote of a greater number is required by law, this Declaration or the By-Laws of the Corporation. Notice requirements for all action to be taken by the Corporation shall be as set forth in its Articles of Incorporation and/or By-Laws, as the same may be amended from time to time.

#### ARTICLE IV. PROPERTY RIGHTS

- (1) Easements of Enjoyment. Subject to the provisions of Section 3 of this Article, the following persons shall have a right and easement of use and enjoyment in and to the Common Areas and such easements shall be appurtenant to and shall pass with the title to every Lot:
  - (a) Each Member, each individual in his or her family residing with such Member and all of any Members guests; and
  - (b) Each tenant and each individual in the family of such tenant residing with the guest on a Lot owned by a Member;

provided, however, such easements shall not give such persons (excluding Declarant) the right to make alterations, additions or improvements to the Common Areas. Guests of Members and Members' tenants shall also have the right, on a temporary basis and subject to any rules or regulations from time to time established by the Board, to use the Common Areas.

- (2) Title to the Common Areas. Each Lot shall extend to the center of the Common Area streets and roadways (subject to the easements set forth in Section 1 or any utility easement). There shall not be any Common Area(s) owned by the Corporation, however the Corporation shall be responsible for the maintenance, repair and upkeep of Calle Encino, and the main entrance to the Subdivision. However each Member, their family, guests and each tenant, their family and guests shall have the unfettered right to use, for the purpose of ingress and egress, the main entrance of the Subdivision and Calle Encino, the main road in the Subdivision.
- (3) Subject to the approval by written consent by the Members having at least three-fourths (3/4) of the outstanding votes of the Members of the Corporation then entitled to vote, the Corporation may dedicate or transfer all or any part of the Common Areas which it then owns to any municipal corporation, public agency, government authority, or utility company for such purposes and upon such conditions as may be agreed to by such Members.

#### ARTICLE V. COVENANTS AND ASSESSMENTS

- (1) Creation of the Lien and Personal Obligation of Assessments. Each Owner of any Lot, by acceptance of a deed or other conveyance therefore, whether or not it shall be so expressed

in any such deed or other conveyance, shall be deemed to covenant and agree (and such covenant shall be deemed to constitute a portion of the purchase money and consideration for acquisition of the Lot) to pay to the Corporation (or to any entity or agency which may be designated by the Corporation to receive such monies):

- (a) regular monthly or other periodic assessments or charges ("Regular Assessments") for matters concerning the Subdivision including, but not limited to, those matters described in Section 2 of this Article V; (b) special group assessments ("Special Group Assessments") for capital improvements or unusual or emergency matters, such assessments to be fixed, established and collected from time to time as hereinafter provided; and (c) special individual assessments ("Special Individual Assessments") levied against individual Lot Owners to reimburse the Corporation for extra costs for maintenance, repairs, or other expenses caused by the willful or negligent acts of the individual Owner (or the tenants or guests of such Owner, the guests of any tenants of such Owner, or the licensees or invitees of any such Owner or tenant) or acts or conditions or invitees of any such Owner or tenant) or acts or conditions in violation of this Declaration and not caused by ordinary wear and tear, such assessments to be fixed, established and collected from time to time as hereinafter provided.
- (2) Purposes of Assessments. The assessments levied by the Corporation shall be collected and used exclusively for the purpose of promoting the enjoyment and welfare of the residents of the Subdivision, and in particular (by way of example, and not limitation) for (a) the improvement and maintenance of the Common Area, including but not limited to, Calle Encino and the main entrance to the Subdivision, (b) carrying out the duties, or exercising the powers of the Board of Directors of the Corporation as set forth in this Declaration; (c) carrying out the purposes of the Corporation as stated in its Articles of Incorporation; (d) for any matter or thing designated by Parker County, Texas in connection with any zoning, subdivision, platting, building or development requirement.
- (3) Basis and Amount of Assessments. The Board shall set the amount of the Regular Assessment for each Lot, which may be revised by the Board at its discretion in conformity with Section 6 of this Article V, taking into consideration the then current maintenance costs and the future needs and obligation of the Corporation. All Regular and Special Group Assessments shall be set at a uniform rate per lot, except as may otherwise be expressly provided herein.
- (4) Special Group Assessments. In addition to the Regular Assessments, the Corporation may levy in any calendar year one or more Special Group Assessments, applicable to that year only to be paid in the manner designated in the resolution authorizing such assessments, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, unexpected repair or replacement of any capital improvement upon or part of the Common Areas, including the necessary improvements related thereto, or any unusual or emergency matters; provided that any such assessments shall have the assent of the holders of at least two-thirds (2/3) of the votes of the Members of the Corporation then entitled to vote who are voting in person or by legitimate proxy at a meeting duly called for this purpose, as provided in Section 3 of Article III.

- (5) **Date of Commencement of Assessments; Due Dates.** The Regular Assessments shall commence on the first day of such month as may be determined by the Board, and such Regular Assessments shall continue to be due and payable monthly, in advance, on the first day of each month. The due date or dates, if it is to be paid in installments, of any Special Group or Special Individual assessment shall be fixed in the resolution authorizing such assessment.
- (6) **Duties of the Board of Directors with Respect to Assessments.**
- (a) In the event of a revision of the amount or rate of the Regular Assessment or establishment of a Special Group Assessment or Special Individual Assessment, the Board shall fix the amount of the assessment against each Lot and the applicable due date(s) for each assessment at least fifteen (15) days in advance of such date or period and shall, at that time, prepare a roster of the Lots and assessments applicable thereto which shall be kept in the office of the Corporation and shall be open to inspection by any Owner. Written notice of the assessment shall thereupon be delivered or mailed to every owner subject thereto.
- (b) The Board shall upon demand at any time furnish to any Owner liable for said assessment a certificate in writing signed by an officer of the Corporation, setting forth whether said assessment has been paid. A reasonable charge may be made by the Board for the issuance of such certificates.
- (7) **Effect of Non-Payment of Assessment: Personal Obligation of the Owner; the Lien and Remedies of the Corporation.**
- (a) If any Regular, Special Group or Special Individual Assessment or any part thereof is not paid on the date(s) when due (being the date(s) specified pursuant to this Article V), then the unpaid amount of such assessment shall become delinquent and shall, together with interest thereon as hereinafter provided and costs of collection thereof, thereupon become a continuing debt and personal obligation of the non-paying Owner, secured by a continuing self-executing lien on the Lot of the non-paying Owner may have in such Lot or in the Subdivision, which lien shall bind the then Owner, his heirs, executors, devisees, transferees, personal representatives, successors and assigns. The Corporation shall have the right to reject partial payment of any assessment and demand full payment thereof or the Corporation may accept such partial payment on account only without waiving any rights hereunder with regard to the remaining balance due. The personal obligation of the then Owner of any respective Lot to pay such assessment, however, shall remain his personal obligation and shall not pass to his successors in title unless expressly assumed by them. The lien for any unpaid assessments, however, shall be unaffected by any sale or assignment [other than a foreclosure sale (or deed in lieu thereof) upon a lien which is superior to the lien securing the unpaid assessments, whether by virtue of Article V, Section 13 hereof or otherwise] of a Lot and shall continue in full force and effect. No Owner may waive or otherwise escape liability for any assessment provided herein by non-use of the Common Areas or abandonment of his Lot.



(b) If any assessment or part hereof is not fully paid within thirty (30) days after the due date, the unpaid amount of such assessment shall bear interest from the due date at the lesser of eighteen percent (18%) per annum or the maximum legal contract rate of interest, and the Corporation may, at its election, retain the service of an attorney for collection or to foreclose the lien against the property subject thereto or pursue any other remedy which the Corporation may have at law or in equity, and there shall be added to the amount of such unpaid assessment any and all collection costs incurred hereunder by the Corporation, including reasonable attorneys' fees and costs of suit. any Regular, Special Group or Special Individual Assessment or any part thereof is not paid on the date(s) when due (being the date(s) specified pursuant to this Article V), then the unpaid amount of such assessment shall become delinquent and shall, together with interest thereon as hereinafter provided and costs of collection thereof, thereupon become a continuing debt and personal obligation of the non-paying Owner, secured by a continuing self-executing lien on the Lot of the non-paying Owner and any right, title or interest that the non-paying Owner may have in such Lot or in the Subdivision, which lien shall bind the then Owner, his heirs, executors, devisees, transferees, personal representatives, successors and assigns.

(8) Exempt Property.

The following property, otherwise subject to this Declaration, shall be exempted from the assessments, charges and liens created herein;

(a) All properties dedicated to a governmental authority or to the public;

(9) Direction by Declarant. Notwithstanding anything in this Declaration to the contrary, until the later to occur of:

(a) December 31, 2011, or (b) such time as all of the Subdivision and Supplemental Property have been conveyed by Declarant (other than to a Successor Declarant), Declarant shall have the right to direct the Corporation to perform specific items of maintenance, in a time and manner satisfactory to Declarant and at the expense of the Corporation, with respect to the streets within the Subdivision and the other items described in subparagraphs (f) through (i) of Section 2 of this Article V. in the event any such items are in Declarant's opinion not being properly maintained.

(10) Subordination of the Liens to Mortgages. The liens securing the various assessments provided for in this Article V shall be subordinate and inferior to the lien of any valid mortgage or deed of trust now or hereafter placed upon any Lot to secure or obtain purchase-money, development or improvement financing or refinancing by the Owner thereof; provided, however, that subordination shall apply only to the assessments which have become due and payable prior to the foreclosure sale (whether public or private) of such Lot pursuant to the terms and conditions of any such mortgage or deed of trust. Such sale shall not relieve any such Lot Owner of personal liability therefore, nor the new Owner thereof from liability for the amount of any assessments thereafter becoming due nor from the lien of any such subsequent assessment.

ARTICLE VI.  
GENERAL POWERS AND DUTIES OF BOARD OF DIRECTORS OF THE CORPORATION

- (1) **Disbursements.** The Board, as it deems appropriate for the benefit of the Corporation, the Subdivision and the Owners, shall make disbursements for purposes set forth in Article V, Section 2 above, out of the funds derived from the assessments provided for in Article V, Section 1.
- (2) **Additional Rights Powers and Duties of the Board.**

The Board or any officer or agent of the Corporation designated by the Board (including without limitation the Declarant) shall have the following additional rights, powers and duties in addition to those which may be provided by statute or under the Articles of Incorporation or By-Laws of the Corporation:

- (a) Once title has been conveyed to the Corporation, to execute all declarations of ownership for tax assessment purposes with regard to any of the Common Areas or other portions of the Subdivision owned by it;
- (b) To enter into agreements or contracts (including but not limited to any maintenance, reimbursement or indemnity agreements) with utility companies, water districts and other governmental authorities with respect to utility installation, consumption and service matters and other maintenance matters;
- (c) To borrow funds to pay costs of operation, which may be secured by assignment or pledge of rights against delinquent Owners, if the Board sees fit;
- (d) To enter into contracts, maintain one or more bank accounts, and, generally, to have all the powers necessary or incidental to the operation and management of the Corporation.
- (e) To protect or defend the Common Areas and related appurtenances from loss or damage by suit or otherwise, to sue or defend in any court of law on behalf of the Corporation, and to provide adequate reserves for repairs and replacements of equipment and other property or items owned or maintained by the Corporation;
- (f) To make reasonable rules and regulations for the operation and use of the Common Areas and other portions of the Subdivision as specified herein and to repeal or amend them from time to time (without limiting the generality of the foregoing language, the rules and regulations may provide for limitations on use of all or any portion of the Common Areas by children, guests, or otherwise);
- (g) To enforce the provisions of this Declaration and any rules and regulations made hereunder and to enjoin and seek damages from any Owner for violation of such provisions, rules or regulations;

- (h) To establish such committees with such delegated powers as the Board may deem necessary or appropriate to the fulfillment of its duties and the exercise of its powers hereunder; and
  - (i) To obtain such fidelity bonds as the Board may deem necessary or appropriate.
- (3) **Liability Limitations.** Neither any Member, director, or officer of the Corporation shall be personally liable for debts contracted for or otherwise incurred by the Corporation or for a tort of another Member, whether or not such other Member was acting on behalf of the Corporation or otherwise. Neither the Declarant, the Corporation, its directors, officers, agents or employees shall be liable for any incidental or consequential damages for failure to inspect any premises, improvements or portions thereof or for failure to repair or maintain the same, nor for any personal injury, property damage or any other damages including, but not limited to, incidental or consequential damages occasioned by any act or omission in the repair or maintenance of any premises, improvements or portions thereof.
- (4) **Reserve Funds.** The Board may establish reserve funds which may be maintained and accounted for separately from other funds maintained for annual operating expenses and may establish separate, irrevocable trust accounts in order to better demonstrate that the amounts deposited herein are capital contributions and not net income to the Corporation.

ARTICLE VII.  
MAINTENANCE

- (1) **Association's Responsibility.** The Association shall maintain and keep in good repair the Common Area(s), including but not limited to Calle Encino and the main entrance to the Subdivision. This maintenance shall include, without limitation, maintenance, repair, and replacement, subject to any insurance then in effect, of all streets, roadways, paving and other improvements situated on the Common Area(s), including but not limited to Calle Encino and the main entrance to the Subdivision. The Association shall maintain and keep in good repair all streets and roadways within Subdivision.
- (2) The Association shall have the right, but not the obligation, to maintain property not owned by the Association where the Board has determined that such maintenance would benefit all Owners.

ARTICLE VIII.  
AFFIRMATIVE, NEGATIVE AND PROTECTIVE RESTRICTIONS AND COVENANTS;  
ARCHITECTURAL CONTROL COMMITTEE

- (1) **Use.** No tract shall be used except for one family residential, save and except that a Lot Owner may build a second living dwelling on his or her Lot for the purpose of being occupied by another immediate family member (which shall only include a parent, child, grandchild or sibling of a Lot Owner) or a domestic employee employed on a full time basis at the primary residence. Any secondary living dwelling shall be constructed of the same materials as the primary residence and shall be at least 750 square feet of living area (that which is enclosed for heating and air conditioning). No other person other than the immediate family member's family or a domestic employee shall be permitted to live in

said secondary living dwelling and for only so long as the immediate family member shall live in said primary residence. The living area of each primary residence (that which is enclosed for heating and air conditioning) shall not be less than 2,500 square feet. At no time shall a Lot Owner lease or rent any secondary living dwelling on any Lot. At no time shall any primary residence be rented or leased for a period of more than two consecutive years. Upon the expiration of any lease or other rental agreement upon a Lot(s), no matter what the length, there shall be a six month moratorium on said Lot(s) for any additional rental or leasing. The sentence immediately above is meant to prevent a Lot Owner from continually having a tenant upon his or her Lot. By way of example, if a Lot Owner enters into a lease agreement, at the end of the lease term, the Lot Owner cannot lease or rent his or her Lot for at least six months from the end of the lease term.

NOTE: So long as any of the residential Lots remain owned by the undersigned Declarant, the Declarant reserves unto itself the right to authorize a variance in the minimum square footage requirement by no more than 17% of the foregoing required square footage or 500 square feet of living area, whichever is less.

- (2) Lot Area. The Declarant shall have the authority to subdivide any Lot until such time as Declarant no longer owns any Lot in the Subdivision, and thereafter, no Lot shall be subdivided without the specific approval of at least ninety percent of all the Lot Owners and the Parker County Commissioner's Court or other governing body who regulates subdivisions.
- (3) No structure shall be located on any Lot in front of the Lot setback lines filed on the plat except around courts which are 25 feet (i.e. any street) nor nearer than 25 feet to any interior Lot line, except that:
  - a. If one structure is constructed on a homesite consisting of more than one Lot, the combined area shall (for this purpose) be considered to be one Lot.
  - b. The setback lines may be relaxed by decisions of the Declarant, if, in its sole opinion, the above prescribed distances are not feasible.
- (4) No mobile home, trailer, tent, shack, garage, barn or other outbuildings or structure of a temporary character shall at any time ever be used as a residence, temporary or permanent, nor shall any structure of a temporary character ever be used in any way or moved unto or permitted to remain on any Lot, except during construction of permanent structures and for a period not to exceed 150 days.
- (5) With reasonable diligence, and in any events within 15 months from the commencement of construction, any dwelling commenced shall be completed. All temporary structures shall be removed within 15 days unless otherwise approved by the Declarant.
- (6) Roofs shall consist of non combustible materials.
- (7) All dwellings shall be constructed of natural stone, masonry or brick for outside wall construction, to the extent of at least eighty five percent of the area of the outside walls.

- (8) No television, radio or other similar antennas, masts or receiving or sending apparatus shall be erected on any Lot which exceeds a height of 30.0 feet, whether or not any such antenna, mast, or receiving or sending apparatus has its base on the ground or on any building. No Lot, or any structure thereon, shall be used as a base for any type of radio, television or similar broadcasting system. No satellite dish shall be erected where it is visible from any street within the Subdivision.
- (9) Garage and Trash Disposal. No Lot shall be used as a dumping ground for rubbish. Trash, garbage, and other waste shall be kept in sanitary containers.
- (10) No noxious or offensive activity shall be carried on any Lot nor shall any nuisance be created thereon. No Lot or any residence or outbuilding thereon shall ever be used for any commercial purposes whatsoever.
- (11) Animals.
  - a. Dogs and cats, or other household pets may be kept, provided they are not kept, bred or maintained for any commercial purposes, but only for the use of pleasure of the Owners. All dogs or other animals kept for domestic use must be vaccinated and a record kept of such vaccination.
  - b. No more than three horses, cows, mules or lamas shall be kept on any Lot. The total number of the animals listed above shall not exceed three in any combination. A Lot Owner may have no more than ten goats. By way of example, a Lot Owner may have up to ten goats OR no more than three of any of the "large" animals listed above.
  - c. There shall be no swine allowed upon any Lot.
- (12) No sign shall be erected or maintained on any Lot except for a "For Sale" or "For Rent" sign not exceeding 3 feet by 2 feet in size. Nothing herein shall be deemed or construed as prohibiting the Declarant from erecting such sign's it shall deem necessary for purposes of advertising and promoting the Subdivision.
- (13) Sewerage. All wastewater treatment will be restricted to a class I on-site aerobic wastewater treatment system. No outside toilets will be permitted except during construction of a home and such outside toilet shall never be visible from any street. The drainage of sewage disposal facilities into any road, ditch or surface easement, either directly or indirectly is strictly prohibited.
- (14) Easements, Etc. Perpetual easements are reserved over and across the Lots in the Subdivision for the purpose of installing, repairing and maintaining or conveying to proper parties so that they may install, repair and maintain, electric power, telephone and similar utility facilities and services for all the Subdivision in the Subdivision. The easements reserved and dedicated under the terms and provisions hereof shall be for the general benefit of the Subdivision as herein defined, and any other land owned or acquired by the Declarant in the vicinity thereof, and shall also be to the benefit of and may be used by any public or private utility company entering into and upon said property for the purposes

aforesaid, without the necessity of any further grant of such easement rights of such utility companies.

- (15) **Covenants Running With The Land.** All of the restrictions, covenants and easements herein provided for and adopted apply to each and every Lot in the Subdivision and shall be covenants running with the land. Declarant, its successors and assigns, shall have the right to enforce observance and performance of same, shall have the right in addition to all legal remedies or remedies elsewhere provided herein, to an injunction either prohibitive or mandatory. The Owner of any Lot or Lots in the Subdivision affected shall likewise have the right either to prevent a breach of any such restriction or covenant or to enforce the performance thereof.
- (16) **Partial Invalidity.** Invalidation of any covenant, restriction, etc. (by court judgment or otherwise) shall not affect, in any way the validity of all other such covenants, restrictions, etc. all of which shall remain in full force and effect. Acquiescence in any violation shall not be deemed a waiver of the right to enforce against the violator of others the conditions so violated or any other conditions, and the Declarant shall have the right to enter the property of the violator and correct the violation or to require that the same is corrected.
- (17) After the sale of all Lots by the Declarant, any term or provision of these restrictions regarding the improvement and use of a Lot or Lots in the Subdivision may be amended by an instrument in writing, duly executed and acknowledged by the Lot Owners owning not less than ninety percent of all Lots to which they are applicable, and filed for record in the Deed Records of Parker County, Texas.
- (18) There shall be no above ground pools permitted upon any Lot, save and except what is commonly referred to as a "kiddy pool" that is no more than 12 inches deep.
- (19) **Outbuildings and Barns.** All outbuildings and barns of any type will be constructed so to as promote and otherwise compliment the dwelling that it shares the Lot(s) with. All outbuildings and barns shall be permanently attached to the Lot.
- (21) No drilling, development, refining, quarrying, mining or prospecting for minerals of any kind shall be permitted on any Lot, nor shall any wells, tanks, tunnels, mineral excavations or shafts be permitted to remain thereon. It shall be permissible to drill water wells and have water storage tanks upon any Lot so long as any tanks are not visible from any road.
- (22) The Owner of Lots 5 and/or 7 shall have the authority and right to build or otherwise construct a lake or stock pond upon any Lot of which they own.

#### ARTICLE IX. GENERAL PROVISIONS

- (1) **Binding Effect and Duration.** The Covenants, Conditions and Restrictions of this Declaration shall run with and bind the Subdivision, and shall inure to the benefit of and be enforceable by the Corporation, Declarant and any Owner, and their respective legal representatives (including trustees), heirs, successors and assigns, for a term ending on December 31, 2031, after which time said Covenants, Conditions and Restrictions shall be

automatically extended for successive periods of ten (10) years unless an instrument agreeing to abolish these Covenants, Conditions and Restrictions has been signed by the Members then entitled to cast two-thirds (2/3) of the votes of the Corporation and recorded in the Deed Records of Parker County, Texas, on or before the expiration of the initial term or preceding extended term, as the case may be.


- (2) **Amendment or Termination.** These Covenants, Conditions and Restrictions may be amended or terminated with the written consent of the Members then entitled to cast at least two-thirds (2/3) of the votes of the Corporation by filing such amendment or termination for record in the Deed Records of Parker County, Texas, provided that Declarant must consent thereto if such amendment or termination is to be effective prior to the later of December 31, 2008 or the conveyance of the Subdivision and the Supplemental Property by Declarant (other than to a Successor Declarant).
- (3) **Attorney's Fees.** In the event of any litigation commenced by or against Declarant or any other Owner pursuant to or with respect to this Declaration, the prevailing party shall be entitled to recover reasonable attorney's fees.
- (4) **Notices.** Any notice, request, demand, instruction or other communication to be given to any Owner of any Lot hereunder shall be in writing and shall be deemed to be delivered upon receipt, if hand delivered, or upon deposit in the U.S. Mail, postage prepaid, addressed to such owner (or the person who appears as Member or Owner in the records of the Corporation at the time of such notice) at the last known address as reflected on the records of the Corporation at the time of such mailing.
- (5) **Headings, Captions and Gender.** All article, section and paragraph headings and captions herein contained are for purposes of identification only and shall not be considered in construing this Declaration, and any gender used herein shall include every other gender.
- (6) **Partial Invalidity.** If any term, provision, covenant, condition or restriction contained herein is invalid, illegal, or unenforceable under present or future laws during the term hereof, then and in that event, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

IN WITNESS HEREOF, Grindstone Partners, LP, as Declarant herein, in the above described lienholder have caused this instrument to be executed this 15 day of June, 2006.

Grindstone Partners, LLC., Declarant

By: GP Genpar, LLC, General Partner

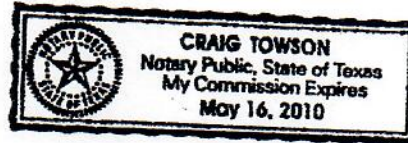
By:   
Ed Stout, Member

By:   
Don Roach, Member

This instrument was acknowledged before me on the 15 day of June, 2006, by Ed Stout and Don Roach as members of GP Genpar, general partner for Grindstone Partners, LP.



Notary Public, State of Texas



After Recording, Return To:

Craig Towson  
2110 Fort Worth Highway  
Weatherford, Texas 76086  
(817) 596-8987

Doc# 602154 Fees: \$68.00  
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PARKER COUNTY, TEXAS