

Declaration of Covenants, Conditions, and Restrictions for Josiah Estates

This declaration of covenants, conditions, and restrictions (the "Declaration") is made on May 28, 2008, at Granbury, Texas, by Josiah Ventures, Ltd., a Texas limited partnership ("Declarant"), whose mailing address is 2880 West Pioneer Parkway, suite D, Arlington, Texas 76013.

Recitals

1. Declarant is the owner of all that certain real property (the "Property") located in Hood County, Texas, and described by metes and bounds on the attached exhibit "a," which is incorporated into this Declaration. All of the Property is to be developed into an addition to the City of Granbury known as Josiah Estates.

2. A portion of the Property has been platted as lots 1-18, block 2; lots 1-28, block 3; lots 1 and 29, block 1, JOSIAH ESTATES, Phase One, an addition to the City of Granbury, Hood County, Texas; as recorded in plat filed at slide C-128, plat records, Hood County, Texas. The remainder of the Property will in the future be platted as JOSIAH ESTATES, Phase Two, and the Declaration is intended to apply to all the Property, whether presently platted or not.

3. Declarant has devised a general plan for the entire Property as a whole, with specific provisions for particular parts and parcels of the Property. This general plan provides a common scheme of development designed to protect and safeguard the Property over a long period.

4. This general plan will benefit the Property in general, the parcels and lots that constitute the Property, the Declarant, and each successive owner of an interest in the Property.

5. Therefore, in accordance with both the doctrines of restrictive covenant and implied equitable servitude, Declarant desires to restrict the Property according to these covenants, conditions, and restrictions, in furtherance of this general development plan.

NOW, THEREFORE, it is declared that all of the Property shall be held, sold, and conveyed subject to the following easements, restrictions, covenants, and conditions.

I. DEFINITIONS

"Developer" means Declarant and its successors and assigns who acquire more than ten undeveloped Lots from Declarant for the purpose of development.

"Lot" means any of the plots of land shown on the plat and subdivision map recorded in slide C-128 of the plat records of Hood County, Texas (the "Map"), on which there is or will be built a single family residential dwelling. "Lot" also means the remainder of the Property which is currently unplatted, upon which a single residential dwelling may be built after that portion of the Property is platted. The term "Lot" does not include the "Common Area" (as defined below).

"Owner" means the record owner or owners of the fee simple title to any Lot, or portion of a Lot, in the Property on which there is or will be built a detached single family dwelling. "Owner" includes contract sellers but excludes persons having only a security interest.

A "Qualified Person" means a person who is a representative of the Declarant, licensed architect, landscape architect, licensed general contractor, city planner, or member of the "Board" (as defined below).

"Common Area" means the entire Property except the Lots, subject to all easements and rights described in this Declaration.

The "Association" means Josiah Estates Homeowners Association, Inc., a not-for-profit Texas corporation, whose members consist of all Owners, which shall have the duty of maintaining, operating, and managing the Common Area as provided in this Declaration. Each Owner shall automatically become a

member of the Association contemporaneously with acquiring a Lot, without any further documentation of any kind.

The "Board" means the board of directors of the Association.

"Trustee" shall mean and refer to that certain individual(s) or entity(ies) designated or appointed from time-to-time by the Association to perform the duties and responsibilities described in article VII of this Declaration, and its successors and assigns, initially as the president of the Association until a new trustee is designated.

II. ARCHITECTURAL CONTROL

Architectural Control Committee

Developer shall designate and appoint an architectural control committee (the "ACC") consisting of not less than three Qualified Persons, which shall serve at the pleasure of the Developer. After the Developer no longer owns more than five Lots, the ACC shall serve at the pleasure of the Board.

Approval of Plans and Specifications

The ACC must review and approve in writing all of the following projects on the Property, prior to their commencement:

- a) construction of any building, fence, wall, or other structure,
- b) any exterior addition, change, or alteration in any building, fence, wall, or other structure, and
- c) any landscaping or grading of any Lot or Lots.

Application for Approval

To obtain the required prior approval to do any of the work described above, an Owner must submit an application to the ACC showing the plans and specifications for the proposed work. Such plans and specifications shall detail the nature, shape, height, materials, colors, and location of the proposed work.

Standard for Review

The ACC shall review applications for proposed work in order to 1) ensure conformity of the proposal with these covenants, conditions, and restrictions, and 2) ensure harmony of external design in relation to surrounding structures and topography. An application may be rejected for providing insufficient information. The ACC shall have broad, discretionary authority to interpret and apply these standards. In rejecting an application, the ACC should detail the reasons for rejection and suggest how the applicant could remedy the deficiencies.

Failure of Committee to Act

If the ACC fails either to approve or reject an application for proposed work within 30 days after submission, then ACC approval shall not be required, and the applicant shall be deemed to have fully complied with this article.

Non-Liability

No member of the ACC shall be entitled to compensation for services performed while serving on the ACC. Neither the ACC, the Declarant, nor any of the ACC's members shall be liable to any Owner for any claims, causes of action, or damages of whatever kind (except or occasioned by gross negligence or willful misconduct) arising out of services performed, actions taken, or inaction in

2401 0299

connection with any undertaking, responsibility, or activity contemplated by the ACC.

III. EXTERIOR MAINTENANCE

If an Owner of any Lot fails to maintain the Lot or a dwelling in a neat and orderly manner, the Developer or the ACC shall have the right, through its agents and employees, to enter the Lot in order to repair, maintain, and restore the Lot, including landscaping, and the exterior of any buildings and other improvements located on the Lot, all at the expense of the Owner.

IV. USE RESTRICTIONS AND ARCHITECTURAL STANDARDS

Residential Use Only

All Lots shall be used for single-family residential purposes only. Single family use consists of use of a dwelling by two or more natural persons who are related by marriage or kinship, or by not more than four natural persons who are not related by marriage or kinship. However, Developer, as well as any other person engaged in the construction and sale of residences on the Property, shall have the right, during the construction and sales period, to use facilities as may be reasonably necessary or convenient for its business purpose of constructing and selling residences on the Property.

Type of Buildings Permitted

No building shall be erected, altered, or permitted on any Lot other than one detached single-family dwelling not to exceed two stories in height, with a private garage for not more than four, nor less than two, automobiles. No outbuilding, shop, trailer, storage shed, or residence of a temporary character shall be allowed. However, Developer, as well as any other person engaged in the construction and sale of residences on the Property, shall have the right, during the construction and sales period, to construct and maintain such facilities as may be reasonably necessary or convenient for its business of constructing and selling residences on the Property, including, but not limited to, offices and storage areas.

Design, Minimum Floor Area, and Exterior Walls

Any residence constructed on a Lot must have a total floor area of not less than 2100 square feet, exclusive of open or screened porches, terraces, patios, driveways, carports, and garages. All single-family dwellings shall be constructed to front on the street on which the Lot fronts unless any Lot in question fronts on two streets, in which case the dwelling constructed on such Lot shall front, as the ACC may approve, on either of the two streets or partially on both. All dwellings shall be constructed of stone, stucco, EIFS, masonry, brick, or of a glass building material of the kind usually used for outside wall construction, or of such other material as may be approved by the ACC, to cover at least 85% of the area of the outside walls on the first floor. The second floor of such dwelling may be masonry or such other material as may be approved by the ACC. All wood surfaces shall be durable. Only thick and very durable varieties and grades of wood and fibrous materials will be allowed for trim. All exterior colors, textures, and materials must be compatible not only with the ACC's approved design motif, but also with adjacent and surrounding Lots, and over-all community appearance.

Roofing Materials

Roofs shall be slate, imitation slate, tiles, metal, or architectural grade (30-

year) composition roofing, if compatible in color and texture with the prevailing roofing of homes within the Property. All roofing materials must be approved in advance by the ACC. No wood shakes, wood shingles, or standard grade composition shingles will be allowed. Generally, dwellings shall have pitched roofs with a minimum pitch of eight feet in twelve; however, flat roofs, or flat and pitched roofs in combination, may be considered on a case-by-case basis where deemed appropriate by the ACC.

Setbacks

No building shall be located on any Lot nearer to the front Lot line or nearer to the side street line than the minimum building setback lines shown on the Map. No side yards at the front building setback line shall be less than five feet. For purposes of this covenant, eaves, steps, and open porches shall not be considered as a part of the building; provided, however, that this shall not be construed to permit any portion of the building on any Lot to encroach upon another Lot. If two or more Lots, or portions of two or more Lots, are consolidated into a building site in conformity with the following paragraph, these building setback requirements shall apply to the resulting building site as if it were one original, platted Lot.

Resubdivision or Consolidation

No Lot shall be resubdivided, except that any person owning two or more adjoining Lots may consolidate those Lots into a single building site, with the privilege of constructing improvements, as permitted by this Declaration, on the remaining consolidated Lot. It is Declarant's expressed intent that the Lots may not be resubdivided and split into Lots of different sizes than those contained on the Map.

Easements

Easements for the installation and maintenance of utilities and drainage facilities are reserved as shown on the Map. No utility company, water district, political subdivision, or other authorized entity using these easements shall be liable for any damage done by them or their assigns, agents, employees, or servants to shrubbery, trees, flowers, or to other property of the Owner situated in the easement.

Noxious or Offensive Activities Prohibited

No noxious or offensive activity shall be conducted on any Lot that may be or may become an annoyance or nuisance to the neighborhood.

Prohibited Residential Uses

No structure not approved for residential use by the ACC, including, but not limited to, trailers, mobile homes, motor homes, basements, tents, shacks, garages, and other outbuildings and accessory structures, shall be used on any Lot at any time as a residence, either temporarily or permanently.

Fences

No fence, wall, or hedge shall be placed on any portion of a Lot with a greater height than eight feet, and no fence is permitted on any part of any Lot unless approved by the ACC. No chain link fencing is allowed. All wood fences shall utilize metal posts, placed in concrete, and shall be stained in a uniform color as approved by the ACC. Should a hedge, shrub, tree, or other planting be so placed, or afterwards grown, so as to encroach upon adjoining property, such encroachment shall be removed upon request of the Owner of the adjoining Lot or

the ACC.

2401

0301

VOL

PG

Structures other than Houses

No buildings or other improvements (such as mailboxes, fences, swimming pools, children's swings, or other play equipment) shall be placed on a Lot without the prior written consent of the Board. Below-ground swimming pools may be installed only with the prior written approval of the Board.

Signs

No signs of any type shall be allowed on any Lot except one sign of not more than 20 square feet advertising the property for sale or rent. However, Developer, as well as any other person engaged in the construction and sale of residences on the Property, shall have the right, during the construction and sales period, to construct and maintain signs advertising such construction and sale.

Garage Doors

The garage door of any dwelling within the Property must open to the rear or side of the dwelling, or as approved by the ACC. In all instances, the garage of any dwelling shall be situated and/or screened with decorative fencing or other materials whereby the street view into the garage is restricted. If visible from the street, garage doors must be cedar-clad wood unless an alternative material is approved by the ACC. Each Lot shall provide garage space for a minimum of two conventional automobiles and sufficient driveway space for the parking of two guest automobiles, unless otherwise specifically approved by the ACC. Each Owner shall use its respective best efforts to park and store automobiles within the garage. All garage doors shall be closed at all times when not in use. Carports are not permitted. Each Owner shall use its respective best efforts to refrain from habitually parking any automobile or vehicle on any Lot outside of an approved garage. Under no circumstances or conditions shall any automobile or other vehicle be parked on a non-paved portion of any Lot.

Oil Development and Mining Prohibited

No oil well drilling, development, or refining, and no mineral quarrying or mining operations of any kind shall be permitted on any Lot. No oil well, tank, tunnel, mineral excavation, or shaft shall be permitted on any Lot. No derrick or other structure designed for use in boring for oil, natural gas, or other minerals shall be erected, maintained, or permitted on any Lot.

Rubbish, Trash and Garbage

No Lot shall be used or maintained as a dumping ground for rubbish or trash. All garbage and other waste shall be kept in sanitary containers. There shall be no burning or incineration of trash, garbage, leaves, brush, or other debris. All garbage shall be kept in plastic bags or other containers required by the City of Granbury. Each Owner shall observe and comply with any and all regulations or requirements promulgated by the Association and/or the City of Granbury in connection with the storage and removal of trash and garbage.

Sewage Disposal

No individual sewage-disposal system shall be permitted on any Lot.

Water Supply

No individual water-supply system shall be permitted on any Lot.

Trees

No trees shall be removed except by utility companies within easements required for the furnishing of utility services, or as otherwise approved by the ACC.

Slope Control Areas

Slope control areas are reserved as shown on the Map. Within these slope control areas, no structure, planting, or other material shall be placed or shall be permitted to remain, and no other activities shall be permitted to be undertaken that may damage or interfere with established slope ratios, create erosion or sliding problems, change the direction or flow of drainage channels, or obstruct or retard the flow of water through drainage channels. The slope control areas of each affected Lot, and all improvements located in those areas, shall be maintained continuously by the Owner of the affected Lot, except for those improvements for which a public authority or utility company is responsible.

Sight Distance at Intersections

No fence, wall, hedge, or shrub planting that obstructs sight lines at elevations between two and six feet above the roadway shall be placed or permitted to remain on any corner lot in the triangular area formed by the street property lines and a line connecting them at points 25 feet from the intersection of the street lines, or in the case of a rounded property corner, from the intersection of the street property lines as extended. The same sight-line limitations shall apply on any Lot within ten feet from the intersection of a street property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within such distances of intersections unless the foliage line is maintained to meet the sight line requirements set forth above.

Antenna

No radio, television, satellite dish, or other aerial shall be erected or maintained on any Lot except as approved by the ACC. Satellite dishes less than two feet in diameter which are not visible from the street, or adjacent Lots (as determined in the sole judgment of the ACC), shall be allowed.

Animals

No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any Lot, except that a reasonable number of dogs, cats, or other household pets may be kept, provided they are not kept, bred, or maintained for any commercial purpose.

Fences, Walls, Hedges, and Utility Meters

No fence, wall, hedge, or utility meter shall be placed, or permitted to remain, on any Lot nearer to the street or streets adjoining such Lot than is permitted for the main residence on such Lot, except for decorative subdivision entry fences.

Boats, Large Trucks, Motorhomes, Buses, and Trailers

No boat, boat trailer, large truck, mobile home, camper, motorhome, bus (except a passenger van for personal use), trailer, or similar wheeled vehicle shall be stored (except temporarily, not to exceed 24 hours) on any Lot, or parked in the street in front of any Lot, except for construction and repair equipment while a residence or residences are being built or repaired in the immediate vicinity. No boat, boat trailer, large truck, motorhome, mobile home, camper, bus (except a passenger van for personal use), trailer, or similar wheeled vehicle shall be parked

2401 0303

on the driveway or any portion of the Lot in such manner as to be visible from the street; all such vehicles being required to be stored or parked in a closed garage or within a fence, wall, or enclosure as may be approved in advance by the ACC.

Prohibited Activities

No professional, business, or commercial activity to which the general public is invited shall be conducted on any Lot.

Wood-Burning Stoves and Fireplaces

No fireplace or wood-burning stove shall be installed or used on any Lot unless it meets the requirements, standards, and recommendations of federal, state, and local environmental and air pollution control authorities.

Air Conditioning Equipment

Location of air conditioning units shall be first approved by the ACC before installation or use. Condensing units, if visible from the street, must be hidden or screened in a manner approved by the ACC.

Driveways

As a general rule, each Lot may be accessed by a single driveway only. However, double entry loop driveways may be considered by the ACC where site determinants such as Lot size, frontage, width, and configuration would allow sufficient room for an uncrowded and aesthetic double entry design. Access drives shall be located to avoid and preserve important natural features, such as trees, large or significant plant materials, drainageways, or rock outcroppings, so as to minimize disruption of the existing landscape. The ACC has full authority to limit the points of vehicular access to any Lot. The proposed paving surface is subject to approval by the ACC. The use of decorative materials, textures, or patterns, exclusively or in combination, is suggested. Acceptable alternatives include, but are not limited to, brick pavers, concrete pavers, paving stones, embossed concrete, exposed aggregate concrete, or colored concrete. Large unbroken expanses of plain concrete, trowelled or broom finish, will not be allowed and no such surfaces shall be allowed within 25 feet of the back of curb, or if visible from the street beyond that distance. If plain concrete driveways are proposed, the installation should incorporate some manner of design accent, in the form of a continuous edge band or interspersed pattern, utilizing a suggested material, as a counterpoint to the "sea of concrete." Asphaltic concrete paving is prohibited.

Mailboxes

Mailboxes shall be consistent throughout the Property as specified both as to design and location by the ACC.

Landscaping

Landscape plans must be submitted and approved by the ACC prior to installation. At a minimum, landscaping plans must incorporate full sod, an underground sprinkler system for the purpose of providing sufficient water to preserve and maintain the landscaping in a healthy and attractive condition, 20 one-gallon shrubs, ten five-gallon shrubs, four ten-gallon shrubs, mulched beds, and two four-inch caliper trees. Such landscaping must be completed within 90 days after the date upon which the residential dwelling is 90-percent complete.

Each Owner shall mow and maintain the landscaping and vegetation on its Lot in such a manner as to control weeds, grass, and/or other unsightly growth

at all times. If after ten days' prior written notice, an Owner shall (all to j) control weeds, grass, and/or other unsightly growth, including the proper pruning and cutting of all trees and shrubs and the proper seeding and watering of all lawn areas; ii) remove trash, rubble, building and construction debris; or iii) exercise reasonable care or conduct to prevent or remedy an unclean, untidy, or unsightly condition, then the Association shall have the easement, authority, and right to go onto said Lot for the purpose of mowing, cleaning, and otherwise correcting the offending condition of said Lot, and shall have the authority and right to assess and collect from the offending Owner a reasonable fee for mowing and cleaning said Lot on each respective occasion. Any such assessment, together with accrued interest and costs of collection, shall be a personal obligation of the Owner of the Lot, and shall also be a charge on the land.

V. EASEMENTS

Reservation of Easements

All easements and all alleys for the installation and maintenance of utilities and drainage facilities are reserved as shown on the Map. No shrubbery, fence, or other obstruction shall be placed in any easement or alleyway. Right of use for ingress and egress shall be available at all times over any dedicated easement or alleyway for purposes of installing, operating, maintaining, repairing, or removing any utility or any obstruction placed in such easement or alleyway that would interfere with the installation, maintenance, operation, or removal of such utility.

Underground Electrical System

An underground electricity distribution system shall be installed to serve all Lots in the subdivision. The Owner of each Lot, at the Owner's cost, shall furnish, install, and maintain (all in accordance with the requirements of local governmental authorities and the National Electrical Code) an underground service cable and appurtenances from the meter installed on the Lot by the electric company to such point as may be designated by the company on the property line of the Lot. The company furnishing electric service shall make the necessary connection at the property line and at the meter. Each Owner, at the Owner's cost, shall install, furnish, and maintain a meter-loop (in accordance with then-current standards and specifications of the electric company) for the residence constructed on the Lot. For as long as underground service is maintained, the electric service to each Lot shall be uniform in character and exclusively of the type known as single-phase 120/240 volt, 3-wire, 60-cycle alternating current.

VI. ASSOCIATION

Creation

The Owners shall constitute the Association. Each Owner of a Lot, including Developer, shall automatically be a member of the Association. Association membership shall be appurtenant to ownership of a Lot. Ownership of a Lot is the sole criterion for membership in the Association.

Transfer of Membership

Association membership shall be automatically transferred to the grantee of a fee conveyance of a Lot. Membership shall not be assigned, pledged, or transferred in any other way. Any attempt to make a prohibited transfer shall be void.

Management of Association

VOL.

PG.

The Association shall be incorporated as a nonprofit corporation. The Association shall be managed by the Board pursuant to the procedures set forth in the Association's articles of incorporation and bylaws, subject to this Declaration.

Membership Voting, Elections, and Meetings

Each Owner shall have one vote for each Lot owned. There shall be at least one meeting of the membership each year. At that meeting, the Owners shall 1) elect a Board consisting of not less than three directors, 2) vote on any other matters the Board chooses to place before the membership, and 3) discuss any matter of Association business that the Board or any Owner wishes to bring before the entire membership.

Non-Liability of Board

No member of the Board, or any advisory committee to the Board, shall be entitled to compensation for services performed as a member of the Board. Additionally, neither Declarant, the Board, any of its members, nor any members of any advisory committee to the Board shall be liable to any Owner for any claims, causes of action, or damages of whatever kind (except for occasioned by gross negligence or willful misconduct) arising out of services performed, actions taken, or inaction in connection with any undertaking, responsibility, or activity associated with service on the Board.

Lack of Good Standing

The Board may declare that an Owner is not a member in good standing because of past unpaid assessments, fines, late charges, interest, and legal fees. The Board may temporarily suspend the voting rights of any Owner who is not in good standing until such past unpaid amounts are paid in full.

Number of Board Members

The Board shall initially consist of three directors, to be named by Declarant. Once Declarant has sold 25 Lots, a fourth member shall be added, who shall be an Owner independent from Declarant. Once the Declarant has sold 50 Lots, a fifth member shall be added, who shall be an Owner independent from Declarant. If not voluntarily occurring prior to such time, upon Declarant's sale of all Lots within the Property, the three initial Board members named by Declarant shall tender their resignations as members of the Board, with their replacements to be determined by the members of the Association.

Duties and Powers of Board

Through the Board, the Association shall have the following powers and duties:

- a) to adopt rules and regulations to implement this Declaration and the Association's bylaws;
- b) to enforce this Declaration, the bylaws, its rules, and regulations;
- c) to elect officers of the Board, and select members of the ACC when that power devolves to the Board;
- d) to delegate its powers to committees, officers, or employees;

- e) to prepare a balance sheet and operating income statement for the Association and deliver a report to the membership at its annual meeting;
- f) to establish and collect regular assessments to defray expenses attributable to the Association's duties, to be levied against each Owner, including Developer;
- g) to establish and collect special assessments for capital improvements or other purposes;
- h) to file liens against Owners because of nonpayment of assessments duly levied, and to foreclose on those liens;
- i) to receive complaints regarding violations of this Declaration, the bylaws, or the Association's rules and regulations;
- j) to hold hearings to determine whether to discipline Owners who violate this Declaration, the bylaws, or the Association's rules and regulations;
- k) to give reasonable notice to all Owners of all annual meetings of the membership, and all discipline hearings;
- l) to hold regular meetings of the Board at least annually;
- m) to manage and maintain all of the Common Area in a state of high quality and in good repair;
- n) to pay taxes and assessments that are or could become a lien on the Common Area; and
- o) to pay the costs of any liability insurance and fire insurance on the Common Area, and any liability insurance for members of the Board.

VII. ASSESSMENTS

Obligation of Owners

Declarant, for each Lot owned by it within the Property, hereby covenants and agrees, and each subsequent Owner of any Lot, by acceptance of a deed for a Lot, 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 and agreement shall be deemed to constitute a portion of the purchase money and consideration for acquisition of the Lot so as to have affected the purchase price) to pay to the Association (or to an independent entity or agency which may be designated by the Association to receive such monies):

- a) regular annual assessments;
- b) special assessments for capital improvements or unusual or emergency matters, such assessments to be fixed, established, and collected from time to time as provided below;
- c) special individual assessments levied against individual Owners to reimburse the Association for extra or unusual costs incurred for items such as, but not limited to, maintenance and repairs to portions of the Common Area caused by the willful or negligent acts of the individual Owner, and the remedy, cure, or minimizing of problems caused by, or as a result of, violations of this Declaration by an Owner;
- d) individual assessments and fines levied against an

Owner for violations of rules and regulations pertaining to the Association and/or the Common Area; and

- c) special transfer assessments, as discussed below.

Any such assessments, together with such late charges, interest, and costs of collection as are provided below, shall be a charge on the land and shall be a continuing lien upon each Lot against which each such assessment is made, and shall also be the continuing personal obligation and liability of the then-existing Owner of such Lot at the time when the assessment fell due, which the applicable Owner promises to pay as the result of the purchase of a Lot. Each Owner of each Lot shall be directly liable and responsible to the Association for the acts, conduct, and omission of each and every resident and guest associated with the dwelling on such Owner's Lot.

Purposes of Assessments

The assessments levied by the Association shall be used for the purposes of promoting the comfort, health, recreation, safety, convenience, welfare, and quality of life of the Owners, and in supplementing some services and utilities normally provided by or associated with governmental or quasi-governmental entities, and otherwise for the improvement and maintenance of private streets, gatehouse, gates, neighborhood entryway, walkways, hike and bike trails, ponds, other waterways, recreational areas and other properties, and services and facilities devoted and related to the use and enjoyment of the Common Area and operation of the Association, including, but not limited to, insurance in connection with the Common Area; payment for utilities and the repair, replacement, and additions of various items within the Common Area; paying the cost of labor, equipment (including the expense of leasing any required equipment), management, and supervision of the Common Area; carrying out the duties of the Board in relation to the other various matters set forth or envisioned by this Declaration, or in any amended declaration; and for any matter or thing designated by the City of Granbury in connection with any zoning, subdivision, platting, building, development, or occupancy requirements. The items and areas described above are not intended to be exhaustive but merely illustrative.

Basis and Amount of Annual Assessments

The amount of the annual assessment shall be determined annually by the Board at an annual meeting of the members of the Association.

Special Assessments

In addition to the regular annual assessment, the Board may levy in any calendar year a special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, unexpected repair, or replacement of a capital improvement upon the Common Area, including any necessary fixtures and personal property or for any unusual or emergency purposes, including, without limitation, those matters arising out of litigation and/or judgments; provided that any such assessment shall have the affirmative approval of at least 60% of the individuals comprising the Board.

Rate of Assessments

Both regular and special assessments must be fixed at a uniform rate for all Lots owned by Owners. Homebuilders shall pay annual assessments in the same manner as Owners. In the event that a plat revision combines one or more Lots from the Map, then the assessment for that revised Lot shall be adjusted to reflect the assessment amount that would have originally been associated with the property as it existed in the Map. For example, if two Lots as shown on the

Map are combined into one replatted Lot, then such Owner should pay assessments at twice the rate for any other original, non-replatted Lot.

Due Dates

The annual assessment shall be due and payable in full in advance on the first day of each calendar year and shall, if not paid within 30 consecutive calendar days thereafter, automatically become delinquent. Upon the initial sale of a Lot by Declarant to an Owner, the Owner will pay a prorated amount of the annual assessment to cover the period of time remaining in the current calendar year. The Board shall use reasonable efforts to provide each Owner with an invoice statement of the appropriate amount due, but any failure to provide such a notice shall not relieve any Owner of the obligation established by this Declaration. The Board may further prescribe different procedures for collecting assessments in advance and/or by cashier's check from Owners who have had any history of being untimely in the payment of assessments. The Board may waive or otherwise reduce payments of assessments by homebuilders in its sole and absolute discretion.

Transfer Fee

The Board may at any time implement a reasonable transfer fee, to be paid whenever a Lot is sold by an Owner. Any such transfer fee shall be deemed an assessment governed by the terms of this Declaration. The transfer fee shall be payable to the Association at the time of the closing of the transaction. In the event of a sale of a new home upon a Lot by a builder Owner to an initial homeowner, the transfer fee in such instance must be paid by the builder Owner.

Duties of the Board

In the event of a revision to the amount or rate of the annual assessment, or establishment of a special assessment, the Board shall fix the amount of the assessment against each Lot, and the applicable due date for each assessment, at least 60 days in advance of such date or period. Written notice of the applicable assessment shall be actually or constructively furnished to every Owner in accordance with the procedures then determined by the Board as being reasonable and economical. The Board shall, upon reasonable demand, furnish to any Owner originally liable for said assessment a certificate in writing signed by an officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment stated to have been paid. A reasonable charge may be made by the Board for the issuance of such certificate.

Self-Executing Lien

Effective from and after the filing and recordation of this Declaration, there shall exist a self-executing and continuing contract payment and performance lien and equitable charge on each Lot to secure the full and timely payment of assessments and all other charges and monetary amounts and performance obligations of Owners under this Declaration. Such lien shall be at all times superior to any claim of homestead by any Owner. If any assessment, charge, or fine is not paid on the date when due, the unpaid amount of such assessment, charge, or fine shall (after the passage of any stated grace period) be considered delinquent and shall, together with any late charge and accrued interest at the highest lawful rate of interest per annum and costs of collection, become a continuing debt secured by the self-executing payment and performance lien on the Lot of the non-paying Owner, which shall bind such Lot in the hands of the Owner and Owner's heirs, executors, administrators, devisees, personal representatives, successors, and assigns. The Association shall have the right to reject partial payments of an unpaid assessment or other monetary obligation,

and demand full payment. The personal obligation of the then-~~existing~~ ^{present} Owner ^{to} pay such assessment, however, shall remain the Owner's personal obligation and shall not pass to Owner's successors in title unless expressly assumed. However, the lien for unpaid assessments shall be unaffected by any sale or assignment of a Lot, and shall continue in full force and effect. No Owner may waive or otherwise escape liability for any assessment by nonuse of the Common Area, abandonment of the Lot, or any other reason. No diminution or abatement of assessments shall be claimed or allowed by reason of any alleged failure of the Association to take some action or to perform some function required to be taken or performed by the Association, or for inconvenience or discomfort arising from the making of improvements or repairs which are the responsibility of the Association, or from any action taken by the Association to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority. The obligation to pay assessments is a separate and independent covenant on the part of each Owner.

The Association may also give written notification to the holder(s) of any mortgage on the Lot of such Owner's default in paying any assessment, charge, or fine.

Late Charges

If any assessment, charge, or fine is not paid when due, the Association shall have the right and option to impose a late charge (but only to the extent permitted by applicable law) to cover the additional administrative costs involved in handling the account and/or to reflect any time-price differential assessment schedule adopted or determined by the Association. The unpaid amount of any such delinquent assessment, charge, or fine shall bear interest from and after the date when due at the highest lawful rate of interest per annum until fully paid. The Association may, at its election, retain the services of an attorney to review, monitor, and/or collect unpaid assessments, charges, fines and delinquent accounts, and there shall also be added to the amount of any unpaid assessment, charge, fine, or any delinquent account any and all attorneys' fees and other costs of collection incurred by the Association.

All agreements between any Owner and the Association and/or Declarant, whether now existing or hereafter arising, and whether express, implied, written, or oral, are hereby expressly limited so that in no contingency or event whatsoever shall the amount paid, or agreed to be paid, to the Association and/or Declarant for the payment or performance of any covenant or obligation contained in this Declaration exceed the maximum amount permissible under applicable law. If from any circumstance whatsoever fulfillment of any provision of this Declaration shall involve transcending the limit of validity prescribed by law, then *ipso facto* the obligation to be fulfilled shall be reduced to the limit of such validity, and if from any such circumstance the Association and/or Declarant should ever receive an amount deemed interest by applicable law which shall exceed the highest lawful rate, the amount which would be considered excessive interest shall be applied to the reduction of the assessment or principal amount owing and other indebtedness of the Owner to the Association and/or Declarant, and not to the payment of interest. If such excessive interest exceeds the unpaid balance of the actual assessment and such other indebtedness, the excess shall be refunded to Owner. All sums paid or agreed to be paid by any Owner for the use, forbearance, or detention of any indebtedness to the Association and/or Declarant shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full term of such indebtedness until payment in full so that the interest charged, collected, or received on account of such indebtedness is never more than the maximum amount permitted by applicable law. The terms and provisions of this paragraph shall control and supersede every other provision of all agreements between any Owner and the Association and/or Declarant.

Lien Affidavits

The Association may, at its discretion but subject to all applicable debt collection statutes: i) prepare and file a lien affidavit in the public records of Hood County, Texas which specifically identifies the unpaid assessments, charges, or fines; and ii) publish and post at one or more locations within the Common Area a list of those individuals or entities who are delinquent and, if applicable, their suspended use and enjoyment of the Common Area until and unless the delinquency has been cured to the reasonable satisfaction of the Association. Each Owner consents to these procedures and authorizes the Board to undertake such measures for the general benefit of the Association.

Lien for Payment

The lien upon each Lot as described within this article is and shall be a contractual payment and performance lien. Each Owner, for the purpose of better securing each and all monetary obligations described within this Declaration, and in consideration of the benefits received and to be received by virtue of the ownership of real estate within the Property, has granted, sold, and conveyed, and by acceptance of a deed to a Lot does grant, sell, and convey such Owner's Lot unto the Trustee, to have and to hold such Lot, together with the rights and privileges pertaining to such Lot, unto the said Trustee, and to its substitutes, successors, and assigns forever. Each Owner does hereby bind itself, its heirs, executors, administrators, and assigns to warrant and forever defend the Lot unto the Trustee, its substitutes, successors, and assigns, forever, against the claim, or claims, of all persons claiming any part of such Lot.

Power of Sale

This conveyance is made in trust to secure payment of all assessments and other obligations prescribed by this Declaration to and for the benefit of the Association as beneficiary ("Beneficiary"). In the event of default in the payment of any obligation hereby secured, Beneficiary may elect to declare the entire indebtedness hereby secured, with all accrued interest and all other sums hereby secured, immediately due and payable (subject, however, to the notice and cure provisions set forth in the Texas Property Code), and in the event of default in the payment of such indebtedness when due or declared due, it shall be the duty of the Trustee, or its successor, substitute, or assign, at the request of Beneficiary (which request is hereby conclusively presumed), to enforce this trust. After advertising the time, place, and terms of the sale of the Lot then subject to the lien, and mailing and filing notices as required by the Texas Property Code, and otherwise complying with law, the Trustee shall sell the Lot then subject to the lien at public auction in accordance with such notices on the first Tuesday in any month between the hours of 10:00 A.M. and 4:00 P.M., to the highest bidder for cash, selling all of the Lot as an entirety, and make due conveyance to the purchaser or purchasers, with general warranty binding upon the Owner, its heirs and assigns. Out of the money arising from such sale, the Trustee shall pay first all the expenses of advertising the sale and making the conveyance, including a reasonable commission to itself, which commission shall be due and owing in addition to the attorneys' fees provided for; and then pay to Beneficiary the full amount of principal, interest, attorneys' fees, and other charges due and unpaid on said indebtedness, rendering the balance of the sales price, if any, to the Owner, its heirs or assigns, and/or to any other lienholders (if so required by applicable law). The recitals in the conveyance to the purchaser or purchasers shall be full and conclusive evidence of the truth of the matters stated, and all prerequisites to said sale shall be presumed to have been performed, and such sale and conveyance shall be conclusive against the Owner, its heirs and assigns.

Beneficiary, if it is the highest bidder, shall have the right to purchase at

any sale of the Lot, and to have the amount for which Lot is sold credited on the debt then owing.

Suit for Collection

It is agreed that in the event a foreclosure should be commenced by the Trustee, or its substitute, successor, as assign, Beneficiary may at any time before the sale of said property direct the trustee to abandon the sale, and may then institute suit for the collection of said indebtedness, and for the foreclosure of this contract payment and performance lien. It is further agreed that if Beneficiary should institute a suit for the collection of such amounts, and for a foreclosure of this contract lien, that it may at any time before the entry of a final judgment in the suit dismiss the suit, and require the Trustee, its substitute, successor, or assign, to sell the Lot in accordance with the provisions of this article.

Substitute Trustee

Beneficiary in any event is hereby authorized to appoint a substitute trustee, or a successor trustee, to act instead of the Trustee without formality other than the designation in writing of a substitute or successor trustee, and the authority hereby conferred shall extend to the appointment of other successor and substitute trustees successively until the indebtedness hereby secured has been paid in full, or until said Lot is sold, and each substitute and successor trustee shall succeed to all of the rights and powers of the original Trustee.

In the event any sale is made of the Lot, the Owner, and its heirs and assigns, shall upon the making of such sale surrender and deliver possession of the Lot so sold to the purchaser at such sale, and in the event of its failure to do so it shall from and after the making of such sale be and continue as a tenant at will of such purchaser. In the event of any such failure to surrender possession of the Lot upon demand, the purchaser, or its heirs or assigns, shall be entitled to institute and maintain an action for forcible detainer of said Lot in the Justice of the Peace Court in the justice precinct in which the Lot is situated. The foreclosure of the continuing contract lien on any one or more occasions shall not remove, replace, impair, or extinguish the same continuing lien from securing all obligations arising from and after the date of foreclosure.

Subordination of Lien to Mortgages

The lien upon each Lot securing payment of the assessments and other obligations provided in this Declaration shall be superior to any and all other charges, liens, or encumbrances which may hereafter in any manner arise or be imposed upon any Lot, whether arising from or imposed by judgment or decree, or by any agreement, contract, mortgage, or other instrument, except:

- a) bona-fide first mortgage or first deed of trust liens for purchase money and/or home improvement purposes placed upon a Lot (including institutional mortgages), in which event the Association's lien shall automatically become subordinate and inferior to such first lien (it being the intent of this Declaration that the Association's lien shall not be inferior to second liens);
- b) liens for taxes and/or other public charges as are by applicable law made superior to the Association's lien; and
- c) such other liens as the Board may, in the exercise

of its reasonable discretion, elect to voluntarily
subordinate the Association's lien;

provided, however, such subordination shall apply only to: i) assessments which have been due and payable prior to the foreclosure sale (whether public or private) of such Lot pursuant to the terms and conditions of any such first mortgage or deed of trust or tax lien; and ii) the permitted lien on the Lot alone, and not on or to any easement appurtenant for use and enjoyment of the Common Area. Such sale shall not relieve such Lot from liability for the amount of any assessment thereafter coming due nor from the lien of any such subsequent assessment. Such subordination shall not apply where the first mortgage or deed of trust or tax lien is used as a device, scheme, or artifice to evade the obligation to pay assessments and/or to hinder the Association in performing its functions under this Declaration.

Exempt Property

Notwithstanding anything contained in this Declaration to the contrary, the following property otherwise subject to this Declaration shall be exempted from any assessment, charge, and lien created in this Declaration:

- a) all properties dedicated to and accepted by a local public or governmental authority;
- b) all portions of the Property owned by the Declarant during the development of the Property; provided, however, the Declarant may voluntarily, in writing, waive its exemption for all or portions of the Lots which it owns, or may agree with the Board to reduced assessments for Declarant's Lots;
- c) the Common Area; and
- d) any Lots owned by a mortgagee providing development financing for the Property after any foreclosure by such mortgagee; provided, however, such mortgagee may voluntarily, in writing, waive its exemption from assessments for all or portions of the Lots which it owns, or may agree with the Board to reduced assessments for such Lots.

Should the Declarant make voluntary payments of assessments to the Association from the date of recordation of this Declaration until the third anniversary of its filing, the Board may authorize the repayment by the Association to the Declarant of any or all of such sums.

VIII. GENERAL PROVISIONS

Enforcement

The Developer, the Association, or any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, and reservations imposed by this Declaration. Failure to enforce any covenant or restriction shall not be deemed a waiver of the right of enforcement either with respect to the violation in question or any other violation. All waivers must be in writing and signed by the party to be bound. The Developer and the Association may, from time-to-time, establish reasonable rules and regulations, and penalties for infractions of such rules and regulations, governing the Owners' conduct within the Property.

2401
VOL.

0313
PG.

Severability

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

Covenants Running With the Land

These easements, restrictions, covenants, and conditions are for the purpose of protecting the value and desirability of the Property. Consequently, they shall run with the real property and shall be binding on all parties having any right, title, or interest in the Property in whole or in part, and their heirs, successors, and assigns. These easements, covenants, conditions, and restrictions shall be for the benefit of the Property, each Lot, and each Lot Owner.

Captions

The captions above the various paragraphs of this Declaration are for convenience only, and shall not be utilized in the construction or interpretation of the Declaration's provisions or terms.

Duration and Amendment

The covenants, conditions, and restrictions of this Declaration shall be effective for a term of 30 years from the date this Declaration is recorded, after which period the covenants, conditions, and restrictions shall be automatically extended for successive periods of ten years, subject to termination by an instrument signed by more than 75% of the Owners. The covenants, conditions, and restrictions of this Declaration may be amended by an instrument signed by more than 75% of the Owners. Neither any amendment nor any termination shall be effective until recorded in the real property records of Hood County, Texas, and all requisite governmental approvals, if any, have been obtained.

Attorneys' Fees

If any controversy, claim, or dispute arises relating to this instrument, its breach, or enforcement, the prevailing party shall be entitled to recover from the losing party reasonable expenses, attorneys' fees, and costs.

Liberal Interpretation

This Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the Property.

This Declaration is executed this 28 day of May, 2008, at Granbury, Texas.

JOSIAH VENTURES, LTD.

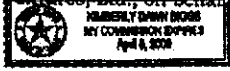
by: Josiah Development, Inc., general partner

by: 
Carl E. Greer, president

2401 0314
VBL PG

STATE OF TEXAS §
 §
COUNTY OF TARRANT §

This instrument was acknowledged before me on May 28
2008, by Carl E. Greer, president of Josiah Development, Inc., general partner of
Josiah Development, Inc., on behalf of said limited partnership.



[Signature]
Notary Public

My commission expires:
April 8, 2009

after recording, return to:
Mr. L. Kelly Jones
Jones & Cannon, P.C.
440 North Center
Arlington, Texas 76011

J403-02DeclRest5.08

Being 28.049 acres of land located in the Martin Saez Survey, Abstract No. 502, Hood County, Texas, being TRACT THREE and a portion of TRACT ONE described in the deed to Pecon Reserve Land Company, L.P., recorded in Volume 2168, Page 104, Real Records, Hood County, Texas, said 28.049 acres of land being more particularly described as follows:

BEGAINING at an 1/2" iron rod stamped BEASLEY RPLS 4050 set in the Eastern line of said TRACT ONE, being the Western line of South Grove Addition, Section Three, an addition to the City of Granbury, Hood County, Texas, being a distance 400.00 feet from an 1/2" iron rod Record, Hood County, Texas, being 83073918E a distance 400.00 feet from an 1/2" iron rod found at the North corner of said TRACT ONE, being the East corner of Lowe's Addition an addition to the City of Granbury, Hood County, Texas, according to the plat recorded in Side C-9, Plat Records, Hood County, Texas;

THENCE S30°36'19"E, along said Western line of said South Grove Addition, at a distance of 828.62 feet passing an 1/2" iron rod found at the Southwest corner of Lot 15B, Block 3, South Grove Addition, Section Three, an addition to the City of Granbury, Hood County, Texas, according to the revised plat recorded in Side A-256-B, Plat Records, Hood County, Texas, in all a distance of 821.36 feet to a 3/4" iron rod found at the East corner of said TRACT THREE, being an ac corner in the Northern line of a tract of land described in the deed to Lumbermen's Investment Corporation recorded in Volume 1811, Page 302, Real Records, Hood County, Texas;

THENCE along said Northern line as follows:

1. 800'08"24"W, a distance of 824.21 feet to a 5/8" iron rod found;

2. S55°07'13"W, a distance of 498.57 feet to a 3/8" iron rod found at the North corner of a tract Record, Hood County, Texas;

THENCE S61°15'11"W, a distance of 18.75 feet to a tanna post at the East corner of a tract of land described in the deed to Charles Michael Daffoo and wife, Edna Alice Daffoo recorded in Volume 238, Page 690, Real Records, Hood County, Texas;

THENCE along the Eastern and Northern lines of said Daffoo tract as follows:

1. N30°08'20"W, a distance of 127.00 feet to an 1/2" iron rod found at the North corner of said Daffoo tract;

2. S58°34'40"W, a distance of 144.20 feet to an 1/2" iron rod found at the West corner of said Daffoo tract being the most Westerly South corner of said TRACT ONE;

THENCE N30°54'33"W, a distance of 140.00 feet to along the Western line of said TRACT ONE to an 1/2" iron rod stamped BEASLEY RPLS 4050 set;

THENCE N58°34'40"E, a distance of 225.17 feet to an 1/2" iron rod stamped BEASLEY RPLS 4050 set;

THENCE N90°54'33"W, a distance of 489.71 feet to an 1/2" iron rod stamped BEASLEY RPLS 4050 set;

THENCE N00°51'54"W, a distance of 278.57 feet to an 1/2" iron rod stamped BEASLEY RPLS 4050 set;

2401 VOL. 0316 PG.

THENCE N66°08'08"E, a distance of 354.80 feet to an 1/2" iron rod stamped BEASLEY RPLS 4050 set.
THENCE S30°51'54"E, a distance of 100.00 feet to an 1/2" iron rod stamped BEASLEY RPLS 4050 set.
THENCE N66°08'08"E, a distance of 806.19 feet to the point of beginning, containing 28.049 acres of land.
The bearings noted hereon are oriented to NAD 83, North Central Texas Grid.

FILED FOR RECORD
AT 11:08 A.M.
MAY 30 2008
County Clerk Hood County, TX

FILED FOR RECORD
AT 11:08 A.M.
MAY 30 2008
COUNTY OF HOOD
HOOD COUNTY CLERK
SALLY L. LINDO, County Clerk
Hood County, Texas

