

Mary Louise Nicholson
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Declaration of Restrictive Covenants
of
Quarter Horse Estates
(Phase 2)

SAC/BA/HK

Basic Information

Date: September 30, 2019

Declarant: Quarter Horse LP, a Texas limited partnership

Declarant's Address: 218 W. Wall Street, Grapevine, Texas 76051

Home Owners Association: Quarter Horse Estates HOA, Inc., a Texas nonprofit corporation whose Certificate of Filing and Formation are attached hereto as **Exhibit A** (the "Association")

Home Owners Association's Address: 218 W. Wall Street, Grapevine, Texas 76051

Property:

An addition to the City of Fort Worth, Tarrant County, Texas, situated in the I. and G.N.R.R. Company Survey, Abstract No. 834, containing 31.328 acres of land, and being the real property more particularly described by the plat thereof on 09/27/19 in/under Document No. 219221530, Plat Records, Tarrant County, Texas (the "Plat").

Definitions

"ACC" means the Architectural Control Committee established in this Declaration.

"Assessment" means any amount due to the Association by an Owner or levied against an Owner by the Association under this Declaration.

"Board" means the Board of Directors of the Association.

"Bylaws" means the Bylaws of the Association adopted by the Board attached hereto as **Exhibit B**, as may be amended from time to time.

"Common Area" means all property within the Subdivision not designated as a Lot on the Plat and that has not been accepted for maintenance by the applicable governmental body. Declarant will convey the Common Area to the Association.

"Covenants" means the covenants, conditions, and restrictions contained in this Declaration.

"Declarant" means and refers to not only Quarter Horse LP, a Texas limited partnership, but also any successor Declarant as appointed by Quarter Horse LP by written instrument, filed of record in the office of the County Clerk, specifically setting forth that such successor Declarant is to have, in whole or in part, the Declarant's rights, duties, obligations and responsibilities for all

or a specific portion of the Property.

“Dedictory Instruments” means this Declaration and the Certificate of Formation, Bylaws, rules of the Association, and standards of the ACC, as amended.

“Easements” means Easements within the Property for utilities, drainage, and other purposes as shown on the Plat or of record.

“Lot” means each tract of land designated as a lot on the Plat, excluding lots that are part of the Common Area.

“Member” means Owner.

“Owner” means every record Owner of a fee interest in a Lot, including Declarant (so long as applicable); provided, however, that (i) the term “Owner” or “Owners” shall not include any person or entity who holds 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, beneficiary or trustee has acquired title to such Lot pursuant to foreclosure or any proceeding in lieu thereof.

“Residence” means a detached building designed for and used as a dwelling by a Single Family and constructed on one or more Lots.

“Single Family” means a group of individuals related by blood, adoption, or marriage or a number of unrelated roommates not exceeding the number of bedrooms in a Residence.

“Structure” means any improvement on a Lot (other than a Residence), including a sidewalk, driveway, fence, wall, tennis court, swimming pool, outbuilding, or recreational equipment.

“Subdivision” means the Property covered by the Plat and any additional property made subject to this Declaration.

“Vehicle” means any automobile, truck, motorcycle, boat, trailer, or other wheeled conveyance, whether self-propelled or towed.

Clauses and Covenants

A. Imposition of Covenants

1. Declarant imposes the Covenants on the Subdivision. All Owners and other occupants of the Lots by their acceptance of their deeds, leases, or occupancy of any Lot agree that the Subdivision is subject to the Covenants.

2. The Covenants are necessary and desirable to establish a uniform plan for the development and use of the Subdivision for the benefit of all Owners. The Covenants run with the land and bind all Owners, occupants, and any other person holding an interest in a Lot.

3. Each Owner and occupant of a Lot agrees to comply with the Dedicatory Instruments and agrees that failure to comply may subject him to a fine, an action for amounts due to the Association, damages, or injunctive relief.

B. Plat and Easements

1. The Plat, Easements, and all matters shown of record affecting the Property are part of this Declaration and are incorporated by reference.

2. An Owner may use that portion of a Lot lying in an Easement for any purpose that does not interfere with the purpose of the Easement or damage any facilities. Owners do not own any utility facilities located in an Easement.

3. Neither Declarant nor any Easement holder is liable for damage to landscaping or a Structure in an Easement.

4. Declarant and each Easement holder may install, maintain, and connect facilities in the Easements.

C. Use and Activities

1. *Permitted Use.* A Lot may be used only for an approved Residence and approved Structures for use by a Single Family.

2. *Prohibited Activities.* Prohibited activities are—

- a. any activity that is otherwise prohibited by the Dedicatory Instruments;
- b. any illegal activity;
- c. any nuisance, noxious, or offensive activity;
- d. any dumping of rubbish, trash, garbage or other waste;
- e. any storage of—
 - i. building materials except during the construction or renovation of a Residence or a Structure;
 - ii. vehicles, except vehicles in a garage or Structure or operable automobiles on a driveway; or
 - iii. unsightly objects unless completely shielded by a Structure;
- f. any keeping or raising of animals, livestock, or poultry, except for common domesticated household pets, such as dogs and cats, not to exceed six (6) confined to a fenced yard or within the Residence;

- g. any commercial or professional activity except reasonable home office use;
- h. the drying of clothes in a manner that is visible from any street;
- i. the display of any sign except—
 - i. one sign of not more than five square feet, advertising the Lot for sale or rent during any period that the Lot actually is for sale or rent or advertising a garage or yard sale;
 - ii. political signs (only one sign per candidate or ballot item that is no larger than four feet by six feet) which may be placed on the Lot no earlier than ninety days prior to an election and which must be removed within ten days after the election for which such sign is displayed;
 - iii. one professional security service sign of not more than one square foot;
 - iv. signs used by a Builder to advertise the Property during the construction and sales period, each of which shall, in any event, comply with all statutes, laws or ordinances governing same; and
 - v. school spirit and church membership signs of not more than one square foot;
- j. installing a mobile home, manufactured home, manufactured housing, motor home, house trailer, or similar structure on a Lot;
- k. moving a previously constructed house onto a Lot;
- l. interfering with the Subdivision drainage plan;
- m. hunting and shooting; and
- n. occupying a Structure that does not comply with the construction standards of a Residence.

D. Construction and Maintenance Standards

- 1. *Lots*
 - a. *Consolidation of Lots.* An Owner of adjoining Lots, with ACC approval, may consolidate those Lots into one site for the construction of a Residence.
 - b. *Subdivision Prohibited.* No Lot may be further subdivided.
 - c. *Easements.* No easement in a Lot may be granted without ACC approval.

- d. *Maintenance.* Each Owner must keep the Lot, all landscaping, the Residence, and all Structures in a neat, well-maintained, and attractive condition.

2. *Residences and Structures*

- a. *Aesthetic Compatibility.* All Residences and Structures must be aesthetically compatible with the Subdivision, as determined by the ACC.
- b. *Required Area.* The total area of a Residence, exclusive of porches, garages, or carports, must be at least 1200 square feet.
- c. *Location on Lot.* No Residence or Structure may be located in violation of the setback lines shown on the Plat. Each Residence must face the front Lot line. All Structures must be located behind the front wall of the Residence.
- d. *Garages.* Each Residence must have at least a two-car garage accessed by a driveway which may not be converted to a living space. The garage may be a separate structure.
- e. *Damaged or Destroyed Residences and Structures.* Any Residence or Structure that is damaged must be repaired within ninety (90) days (or within a period approved by the ACC) and the Lot restored to a clean, orderly, and attractive condition. Any Residence or Structure that is damaged to the extent that repairs are not practicable must be demolished and removed within ninety (90) days and the Lot restored to a clean and attractive condition.
- f. *Fences, Walls, and Hedges.* No fence, wall, or hedge may be located forward of the front wall line of the Residence, except for trellises and decorative fences that are approved by the ACC.
- g. *Traffic Sight Lines.* No landscaping that obstructs traffic sight lines may be placed on any Lot.
- h. *Sidewalks.* When the Residence is constructed, the Lot must be improved with sidewalks connecting with the sidewalks on adjacent Lots.
- i. *Landscaping.* Before the first occupancy of a Residence, the Lot must be landscaped in accordance with applicable governmental ordinances, must contain at least two (2) trees, one large-canopy and one medium-canopy, with a minimum caliper measurement of two and one-half inches (2.5") when measured at a point six inches (6") above the ground, and must have sod grass covering the entire front, side, and rear yards. At least one of the required trees will be planted in the front yard area of the Lot between the sidewalk and the Residence. Tree planting is prohibited in the area between the curb line and any sidewalk. The approved tree species are detailed on

the preferred tree list attached hereto as **Exhibit C** and incorporated herein by reference for all purposes.

3. *Building Materials*

- a. *Exterior Walls.* All Residences must have at least fifty percent (50%) of their exterior walls, including exposed foundation, of stone or brick, minus windows and doors, unless otherwise approved by the ACC.
- b. *Color Changes.* No change to the color of the exterior walls, trim, or roof of a Residence will be permitted, unless otherwise approved by the ACC.
- c. *Air Conditioning.* No window- or wall-type air conditioner shall be visible from the street.

E. **Home Owners Association**

1. *Establishment and Governance.* The Association is established by filing its certificate of formation and is governed by the certificate, the Declaration, and the Bylaws. The Association has the powers of a nonprofit corporation and a property owners association under the Texas Business Organizations Code, the Texas Property Code, and the Dedicatory Instruments.

2. *Rules.* The Board may adopt rules that do not conflict with law or the other Dedicatory Instruments. On request, Owners will be provided a copy of any rules.

3. *Membership and Voting Rights.* Every Owner is a Member of the Association. Membership is appurtenant to and may not be separated from ownership of a Lot. The Association has two classes of voting Members:

- a. *Class A.* Class A Members are all Owners, other than Declarant. Class A Members have one vote per Lot. When more than one person is an Owner, each is a Class A Member, but only one vote may be cast for a Lot.
- b. *Class B.* The Class B Member is Declarant and has the number of votes for each Lot owned specified in the Bylaws. The Class B Membership ceases and converts to Class A Membership on the earlier of—
 - i. when the Class B Members no longer own a Lot; or
 - ii. December 31, 2028; or
 - iii. when, in its discretion, the Class B Member so determines.

F. Architectural Control Committee

1. *Establishment*

- a. *Purpose.* The ACC is established as a committee of the Association to assist the Association in ensuring that all Residences, Structures, and landscaping within the Subdivision are aesthetically compatible and conform to the Dedicatory Instruments.
- b. *Members.* The ACC consists of at least three (3) persons appointed by the Board. The Board may remove or replace an ACC member at any time.
- c. *Term.* ACC members serve until replaced by the Board or they resign.
- d. *Standards.* Subject to Board approval, the ACC may adopt standards that do not conflict with the other Dedicatory Instruments to carry out its purpose. These standards are not effective unless recorded with the county clerk. On request, Owners will be provided a copy of any standards.

2. *Plan Review*

- a. *Required Review by ACC.* No Residence or Structure may be erected on any Lot, or the exterior altered, unless plans, specifications, and any other documents requested by the ACC have been submitted to and approved by the ACC. The plans and specifications must show exterior design, height, building materials, color scheme, location of the Residence and Structures depicted horizontally and vertically, and the general plan of landscaping, all in the form and detail the ACC may require.
- b. *Procedures*
 - i. *Complete Submission.* Within ten (10) days after the submission of plans and specifications by an Owner, the ACC must notify the submitting Owner of any other documents or information required by the ACC. In the absence of timely notice from the ACC requesting additional documents or other information, the submission is deemed complete.
 - ii. *Deemed Approval.* If the ACC fails to give notice of disapproval of the plans and specifications to the submitting Owner within twenty (20) business days after complete submission, the submitted plans and specifications are deemed approved.
- c. *Appeal.* An Owner may appeal any action of the ACC to the Board. The appealing Owner must give written notice of the appeal to the Board, and if the appeal is by an Owner who is not the submitting Owner, the appealing Owner must also give written notice to the submitting Owner within thirty

(30) days after the ACC's action. The Board shall determine the appeal within ten (10) days after timely notice of appeal is given. The determination by the Board is final.

- d. *Records.* The ACC will maintain written records of all requests submitted to it and of all actions taken. The Board will maintain written records of all appeals of ACC actions and all determinations made. Any Owner may inspect the records of the ACC and Board, but no Owner may inspect or copy the interior floor plan or security system design of any other Owner.
- e. *No Liability.* The Association, the Board, the ACC, and their members will not be liable to any person submitting requests for approval or to any Owner by reason of any action, failure to act, approval, disapproval, or failure to approve or disapprove any request.

G. Assessments

1. *Authority.* The Association may levy Assessments to promote the recreation, health, safety, and welfare of the residents in the Subdivision, to fund operating expenses of the Association, and to improve and maintain the Common Areas.

2. *Personal Obligation.* An Assessment is a personal obligation of each Owner when the Assessment accrues.

3. *Creation of Lien.* Assessments are secured by a continuing vendor's lien on each Lot, which lien is reserved by Declarant and hereby assigned to the Association. By acceptance of a deed to a Lot, each Owner grants the lien, together with the power of sale, to the Association to secure Assessments.

4. *Commencement.* A Lot becomes subject to Assessments on conveyance of the Lot by Declarant.

5. *Regular Assessments*

- a. *Rate.* Regular Assessments are levied by the Board, annually, to fund the anticipated operating and maintenance expenses of the Association. Until changed by the Board, the Regular Assessment is Fifty and no/100 U.S. Dollars (\$50.00) per Lot.
- b. *Changes to Regular Assessments.* Regular Assessments may be changed annually by the Board. Written notice of the Regular Assessment will be sent to every Owner at least thirty days before its effective date.
- c. *Collections.* Regular Assessments will be collected annually in advance, payable on the first day of the year and on the same day of each succeeding year.

6. *Special Assessments.* In addition to the Regular Assessments, the Board may levy Special Assessments for the purpose of funding the cost of any construction, reconstruction, repair, or replacement of any capital improvement on the Common Area or for any other purpose benefiting the Subdivision but requiring funds exceeding those available from the Regular Assessments. Special Assessments must be approved by the Members. Written notice of the terms of the Special Assessment will be sent to every Owner.

7. *Approval of Special Assessments.* Any Special Assessment must be approved by a majority vote at a meeting of the Members in accordance with the Bylaws.

8. *Fines.* The Board may levy a fine against an Owner for a violation of the Dedicatory Instruments as permitted by law.

9. *Subordination of Lien to Mortgages.* The lien granted and reserved to the Association is subordinate to any lien granted by an Owner against a Lot not prohibited by the Texas Constitution. The foreclosure of a superior lien extinguishes the Association's lien as to Assessments due before the foreclosure.

10. *Delinquent Assessments.* Any Assessment not paid within fifteen (15) days after it is due is delinquent.

11. *Declarant's Assessment.* Notwithstanding any provision of this Declaration or the Certificate of Formation or Bylaws to the contrary, the Declarant may, on an annual basis, elect either to pay annual regular assessments on its unsold Lots or pay the difference between: (a) the Association's operating expenses otherwise to be funded by annual assessments (after applying all income received by the Association from other sources); and (b) the sum of the revenues of the Association from all sources. Upon ninety (90) days' notice to the Association, the Declarant may change its election hereunder during the fiscal year. "All sources" includes, but is not limited to, revenues from the operation of Common Properties, capital contributions, accounting service fees, property management fees, guest fees, user fees, and the assessments levied against the owners of Lots, other than the Declarant. Such difference, herein called the "deficiency", shall not include any reserve for replacements, operating reserves, depreciation reserves, capital expenditures or special assessments, and Declarant shall not be responsible, in any event, for any reserve for replacements, operating reserves, depreciation reserves, capital expenditures or special assessments. Declarant's obligations hereunder may be satisfied in the form of cash or by "in kind" consideration of services or materials, or by a combination of these. After termination of the Class B membership, Declarant shall pay assessments on its unsold Lots in the same manner as any other Owner.

H. Remedial Rights

1. *Late Charges and Interest.* A late charge of Twenty-Five and no/100 U.S. Dollars (\$25.00) is assessed for delinquent payments and serves to reimburse the Association for administrative expenses and time involved in collecting and processing delinquent assessments. Delinquent Assessments shall bear interest from the due date until paid at the highest nonusurious rate allowed under the laws of the State of Texas, or other applicable law, or if no such limitation

imposed then at the rate of fifteen percent (15%) per year. The Board may change the late charge and the interest rate.

2. *Costs, Attorney's Fees, and Expenses.* If the Association complies with all applicable notice requirements, an Owner is liable to the Association for all costs and reasonable attorney's fees incurred by the Association in collecting delinquent Assessments, foreclosing the Association's lien, and enforcing the Dedicatory Instruments.

3. *Judicial Enforcement.* The Association may bring an action against an Owner to collect delinquent Assessments, foreclose the Association's lien, or enforce or enjoin a violation of the Dedicatory Instruments. An Owner may bring an action against another Owner to enforce or enjoin a violation of the Dedicatory Instruments.

4. *Remedy of Violations.* The Association may levy a fine against an Owner for a violation of the Dedicatory Instruments.

5. *Suspension of Rights.* If an Owner violates the Dedicatory Instruments, the Association may suspend the Owner's rights under the Dedicatory Instruments in accordance with law.

6. *Damage to Property.* An Owner is liable to the Association for damage to Common Areas caused by the Owner or the Owner's family, guests, agents, independent contractors, and invitees in accordance with law.

I. Common Area

1. *Common Area Easements.* Each Owner has an easement in and to the Common Area, subject to the right of the Association to—

- a. charge reasonable admission and other fees for the use of recreational facilities situated on the Common Area, and if an Owner does not pay these fees, the Owner may not use the recreational facilities;
- b. suspend an Owner's rights to use a Common Area under the Dedicatory Instruments;
- c. grant an easement approved by the Board over the Common Area for utility, drainage, or other purposes; and
- d. dedicate or convey any of the Common Area for public purposes, on approval by a vote of a majority of the Members at a meeting in accordance with the Bylaws.

2. *Permitted Users.* An Owner's right to use and enjoy the Common Area extends to the Owner's family, guests, agents, and invitees, subject to the Dedicatory Instruments.

3. *Unauthorized Improvements in Common Area.* An Owner may not erect or alter any Structure on, or clear, landscape, or disturb, any Common Area except as approved by the Board.

J. General Provisions

1. *Term.* This Declaration runs with the land and is binding for an initial term of fifteen (15) years. Thereafter this Declaration automatically continues for successive terms of fifteen (15) year periods, unless within three (3) months before the end of a term fifty-one percent (51%) of the Members at a meeting in accordance with the Bylaws elect not to extend the term. An instrument evidencing the termination will be signed by the Association and recorded.

2. *No Waiver.* Failure by the Association or an Owner to enforce the Dedicatory Instruments is not a waiver.

3. *Corrections.* The Board may correct typographical or grammatical errors, ambiguities, or inconsistencies contained in this Declaration, provided that any correction must not impair or affect a vested property right of any Owner.

4. *Amendment.* Prior to the Class B Membership ceasing and converting to Class A Membership, Declarant may amend this Declaration for any reason without the consent or joinder of any party or without the need to call a meeting of the Association. After the Class B Membership ceases and converts to Class A Membership, this Declaration may be amended at any time by the affirmative vote or written consent of a majority of the Owners entitled to vote on the amendment. An instrument containing the approved amendment will be signed by the Association and recorded. Furthermore, Declarant or the Board may, at its sole discretion and without a vote or the consent of any other party, modify, amend, or repeal this Declaration: (i) as necessary to bring any provision into compliance with any applicable statute, governmental rule, regulation, or judicial determination; (ii) as necessary to comply with the requirements of VA, or HUD (Federal Housing Administration), FHLMC or FNMA or any other applicable governmental agency or secondary mortgage market entity; or (iii) as necessary for clarification or to correct technical, typographical or scrivener's errors; provided, however, any amendment pursuant to clause (ii) and/or (iii) immediately above must not have a material adverse effect upon any right of any Owner.

No amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant (or the assignee of such right or privilege). If an Owner consents to any amendment to this Declaration or the Bylaws, it will be conclusively presumed that the Owner has the authority to consent, and no contrary provision in any mortgage or contract between the Owner and a third party will affect the validity of such amendment

5. *Conflict.* This Declaration controls over the other Dedicatory Instruments.

6. *Severability.* If a provision of this Declaration is unenforceable for any reason, to the extent the unenforceability does not destroy the basis of the bargain among the parties, the unenforceability does not affect any other provision of this Declaration, and this Declaration is to be construed as if the unenforceable provision is not a part of the Declaration.

7. *Notices.* All notices must be in writing and must be given as required or permitted by the Dedicatory Instruments or by law. Notice by mail is deemed delivered (whether actually received or not) when properly deposited with the United States Postal Service, addressed (a) to a Member, at the Member's last known address according to the Association's records, and (b) to the Association, the Board, the ACC, or a managing agent at the Association's principal office or another address designated in a notice to the Members. Unless otherwise required by law or the Dedicatory Instruments, actual notice, however delivered, is sufficient.

8. *Security.* The Association may, but is not obligated to, maintain or support certain activities within the Subdivision designed, either directly or indirectly, to improve safety in or on the Subdivision. Each Owner acknowledges and agrees, for himself and his guests, that Declarant, the Association, and their respective directors, officers, committees, agents, and employees are not providers, insurers, or guarantors of security within the Subdivision. Each Owner acknowledges and accepts his sole responsibility to provide security for his own person and property, and assumes all risks for loss or damage to same. Each Owner further acknowledges that Declarant, the Association, and their respective directors, officers, committees, agents, and employees have made no representations or warranties, nor has the Owner relied on any representation or warranty, express or implied, including any warranty of merchantability or fitness for any particular purpose, relative to any fire, burglar, and/or intrusion systems recommended or installed, or any security measures undertaken within the Subdivision. Each Owner acknowledges and agrees that Declarant, the Association, and their respective directors, officers, committees, agents, and employees may not be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.

9. *Risk.* Each Owner, Owners' immediate family, guests, agents, permittees, licensees and residents shall use all Common Areas at his/her own risk. **All Common Areas are unattended and unsupervised.** Each Owner, Owners' immediate family, guests, agents, permittees, licensees and residents is solely responsible for his/her own safety, and assumes all risk of loss in connection with the use of Common Areas and related amenities and improvements within the Subdivision. Neither the Association nor the Declarant, nor any managing agent engaged by the Association, shall have any liability to any Owner or their family members or guests, or to any other person or entity, arising out of or in connection with the use, in any manner whatsoever, of the Common Areas or any improvements comprising a part thereof from time to time, and the Association, Declarant and any managing agent disclaims any and all liability or responsibility for injury or death occurring from use of the Common Areas. Declarant shall have no responsibility for maintenance, repair, replacement, or improvement of the Common Areas or any improvements thereon after initial construction, if any.

10. *Indemnification.* The Declarant, the Association and any managing agent, and their respective directors, officers, agents, members, employees, and representatives, and any member of the Board, any member of the ACC and other officer, agent or representative of the Association (collectively, the "Indemnified Parties"), shall not be personally liable for the debts, obligations or liabilities of the Association. The Indemnified Parties shall not be liable for any mistake of judgment, whether negligent or otherwise, except for their own individual willful misfeasance or malfeasance, misconduct, bad faith, intentional wrongful acts or as otherwise expressly provided

in the Dedicatory Instruments. The Indemnified Parties shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association. **THE ASSOCIATION, AS A COMMON EXPENSE OF THE ASSOCIATION, SHALL INDEMNIFY AND HOLD HARMLESS THE INDEMNIFIED PARTIES FROM ANY AND ALL EXPENSES, LOSS OR LIABILITY TO OTHERS, INCLUDING ATTORNEY'S FEES, REASONABLY INCURRED BY OR IMPOSED ON THE INDEMNIFIED PARTY IN CONNECTION WITH AN ACTION, SUIT, OR PROCEEDING TO WHICH THE INDEMNIFIED PARTY IS A PARTY BY REASON OF BEING OR HAVING BEEN AN INDEMNIFIED PARTY HEREUNDER OR ON ACCOUNT OF ANY CONTRACT OR COMMITMENT ENTERED INTO BY ANY INDEMNIFIED PARTY IN ITS CAPACITY HEREUNDER (TO THE EXTENT NOT COVERED BY INSURANCE PROCEEDS) AGAINST EXPENSES. IN ADDITION, EACH INDEMNIFIED PARTY SHALL BE INDEMNIFIED AND HELD HARMLESS BY THE ASSOCIATION, AS A COMMON EXPENSE OF THE ASSOCIATION, FROM ANY EXPENSE, LOSS OR LIABILITY TO OTHERS (TO THE EXTENT NOT COVERED BY INSURANCE PROCEEDS) BY REASONS OF HAVING SERVED AS SUCH DIRECTOR, OFFICER, AGENT, MEMBER, EMPLOYEE AND/OR REPRESENTATIVE AND IN SUCH CAPACITY AND AGAINST ALL EXPENSES, LOSSES AND LIABILITIES, INCLUDING, BUT NOT LIMITED TO, COURT COSTS AND REASONABLE ATTORNEYS' FEES, INCURRED BY OR IMPOSED UPON SUCH INDEMNIFIED PARTY IN CONNECTION WITH ANY PROCEEDING TO WHICH SUCH PERSON MAY BE A PARTY OR HAVE BECOME INVOLVED BY REASON OF BEING SUCH DIRECTOR, OFFICER, AGENT, MEMBER, EMPLOYEE AND/OR REPRESENTATIVE AT THE TIME ANY SUCH EXPENSES, LOSSES OR LIABILITIES ARE INCURRED SUBJECT TO ANY PROVISIONS REGARDING INDEMNITY CONTAINED IN THE DEDICATORY INSTRUMENTS, EXCEPT IN CASES WHEREIN THE EXPENSES, LOSSES AND LIABILITIES ARISE FROM A PROCEEDING IN WHICH SUCH INDEMNIFIED PARTY IS ADJUDICATED GUILTY OF WILLFUL MISFEASANCE OR MALFEASANCE, MISCONDUCT OR BAD FAITH IN THE PERFORMANCE OF SUCH PERSON'S DUTIES OR INTENTIONAL WRONGFUL ACTS OR ANY ACT EXPRESSLY SPECIFIED IN THE DEDICATORY INSTRUMENTS AS AN ACT FOR WHICH ANY LIMITATION OF LIABILITY SET FORTH IN THE DEDICATORY INSTRUMENTS IS NOT APPLICABLE; PROVIDED, HOWEVER, THIS INDEMNITY DOES COVER LIABILITIES RESULTING FROM SUCH INDEMNIFIED PARTY'S NEGLIGENCE. AN INDEMNIFIED PARTY IS NOT LIABLE FOR A MISTAKE OF JUDGMENT, NEGLIGENT OR OTHERWISE. AN INDEMNIFIED PARTY IS LIABLE FOR HIS OR HER WILLFUL MISFEASANCE, MALFEASANCE, MISCONDUCT, OR BAD FAITH. THIS RIGHT TO INDEMNIFICATION DOES NOT EXCLUDE ANY OTHER RIGHTS TO WHICH PRESENT OR FORMER INDEMNIFIED PARTIES MAY BE ENTITLED. ANY RIGHT TO INDEMNIFICATION PROVIDED HEREIN SHALL NOT BE EXCLUSIVE OF ANY OTHER RIGHTS TO WHICH A DIRECTOR, OFFICER, AGENT, MEMBER, EMPLOYEE AND/OR REPRESENTATIVE, OR FORMER DIRECTOR, OFFICER, AGENT, MEMBER, EMPLOYEE AND/OR REPRESENTATIVE, MAY BE ENTITLED. THE ASSOCIATION MAY MAINTAIN AS A COMMON EXPENSE GENERAL LIABILITY AND DIRECTORS' AND OFFICERS' LIABILITY INSURANCE TO FUND THIS OBLIGATION. ADDITIONALLY, THE**

ASSOCIATION MAY INDEMNIFY A PERSON WHO IS OR WAS AN EMPLOYEE, TRUSTEE, AGENT, OR ATTORNEY OF THE ASSOCIATION, AGAINST ANY LIABILITY ASSERTED AGAINST HIM AND INCURRED BY HIM IN THAT CAPACITY AND ARISING OUT OF THAT CAPACITY. Any insurance policies obtained by the Association shall name the Declarant and any managing agent as "additional insured" on such policies.

DECLARANT:

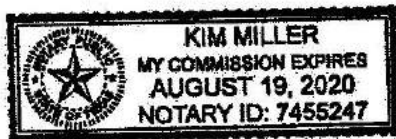
Quarter Horse LP, a Texas limited partnership
By: QTR General LLC, a Texas limited liability company,
its General Partner

By: Michelle Weber
Michelle Weber, Executive Vice President

STATE OF TEXAS §
COUNTY OF TARRANT §

This instrument was acknowledged before me on this 30th day of September, 2019, by Michelle Weber, Executive Vice President of QTR General LLC, General Partner for Quarter Horse LP, a Texas limited partnership, for the purposes and consideration therein expressed and, in the capacities, therein stated, on behalf of such limited partnership.

Kim Miller
Notary Public, State of Texas



After recording, please return to:

Quarter Horse LP
218 W. Wall Street
Grapevine TX 76051
Attn: Michelle Weber