

Rockwall County
Shelli Miller
Rockwall County Clerk
Rockwall, Texas 75087 (972) 204-6300



70 2011 00450979

Instrument Number: 2011-00450979

Recorded On: June 02, 2011

As
Recordings

Parties: DAEDELUS CORPORATION
To PUBLIC

Billable Pages: 55
Number of Pages: 55

Comment: CORR RESTRICTIONS

(Parties listed above are for Clerks reference only)

**** Examined and Charged as Follows: ****

Recordings	228.00
Total Recording:	228.00

***** DO NOT REMOVE. THIS PAGE IS PART OF THE INSTRUMENT *****

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY
because of color or race is invalid and unenforceable under federal law.

File Information:

Document Number: 2011-00450979
Receipt Number: 257070
Recorded Date/Time: June 02, 2011 09:38:30A
Book-Vol/Pg: BK-OR VL-6464 PG-92
User / Station: V D - Cashier Station 2

Record and Return To:

DAEDELUS CORPORATION
2101 CEDAR SPRINGS RD STE 1900
DALLAS TX 75201



I hereby certify that this instrument was filed on the date and time stamped hereon and was duly recorded in the Volume and
Page of the named records in Rockwall County, Texas

Any provision herein which restricts the sale, rental or use of the described Real Estate because of color or race is invalid and
unenforceable under Federal law.

Shelli Miller
Shelli Miller
Rockwall County Clerk

This document is being re-recorded to
attach the legal description.

00337526

DECLARATION

OF

COVENANTS, CONDITIONS,

RESTRICTIONS, EASEMENTS,

CHARGES AND LIENS

ON AND FOR

FALCON POINT

SUBDIVISION

ROCKWALL COUNTY,

TEXAS

0
4
2
0
9

0
0
1
1
2

This DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS, CHARGES AND LIENS is made and effective as of the 15th day of September, 2005 by Daedelus Corporation (sometimes referred to herein as the "Declarant"):

PREAMBLE

Declarant is the owner and developer of certain residential Lots within a 328.3325 acre tract of land now commonly known and described as Falcon Point Subdivision (which legal description and lots therein are more particularly described within **Exhibit "A"** attached hereto). Declarant proposes to establish these restrictions on Falcon Point Subdivision property now and yet retain reasonable flexibility to respond to changing or unforeseen circumstances so as to guide, control and maintain the quality and distinction of Falcon Point Subdivision project.

Falcon Point Homeowners Association (the "Association") has been or will be chartered as a non-profit Texas corporation to assist in the ownership, management, use and care of the various common areas within Falcon Point Subdivision and to assist in the administration and enforcement of this Declaration.

DECLARATION

The Declarant hereby declares that Falcon Point Subdivision residential lots described within **Exhibit "A"** attached hereto, is and shall be owned, held, mortgaged, transferred, sold, conveyed and occupied subject to the covenants, conditions, restrictions easements, charges and liens (sometimes collectively referred to herein as the "Covenants") hereinafter set forth. To better assure the proper operation and functioning of the Association and to promote the quality of life within Falcon Point Subdivision, the Declarant further declares that:

ACQUISITION OF ANY LOT WITHIN FALCON POINT
SUBDIVISION SHALL NOT BECOME EFFECTIVE UNTIL
AND UNLESS:

(A) THE "CLOSING INFORMATION PACKAGE",
INCLUDING ADEQUATE BINDING REFERENCE TO THIS
DECLARATION OF COVENANTS, AND RELATED
DOCUMENTS HAVE BEEN PROPERLY EXECUTED BY
THE ASSOCIATION, DECLARANT AND THE
PURCHASER/TRANSFeree; AND

(B) ALL DIRECTIVES BY, AND ALL OBLIGATIONS TO, THE ASSOCIATION AND THE DECLARANT HAVE BEEN PROPERLY AND TIMELY SATISFIED.

ARTICLE I
CONCEPTS AND DEFINITIONS

The following terms, when used in this Declaration or in any amended or supplementary Declaration (unless the context shall otherwise clearly indicate or prohibit), shall have the definitions assigned to such terms below:

"Amended Declaration" shall mean and refer to each and every instrument recorded in the Public Real Estate Records of Rockwall County, Texas which amends, supplements, modifies, clarifies or restates some or all of the terms and provisions of this Declaration.

"Annual Assessment" shall have the meaning specified in **Article V** below.

"Architectural Review Committee" (sometimes referred to herein as the "ARC") shall mean and refer to that particular committee which is described and explained within **Article VIII** below.

"Articles" shall mean and refer to the Articles of Incorporation (and amendments thereto and restatements thereof) of the Association on file in the Office of the Secretary of State of the State of Texas, Austin, Texas.

"Assessable Property" shall mean and refer to each and every lot, parcel and tract within the entire Properties which: (i) the Declarant has subjected to and imposed upon a set of restrictive covenants calling for, inter alia, the payment of an Annual Assessment to the Association; (ii) may have been or will be given a separately identifiable tax: or parcel number by the Central Appraisal District ("**CAD**") or a similar governmental agency; and (iii) is not designed an "open space" or otherwise a portion of the Common Properties.

"Association" shall mean and refer to Falcon Point Homeowners Association, a non-profit Texas corporation which has the power, duty and responsibility of maintaining and administering certain portions of the Properties and all of the Common Properties, and administering and enforcing the Covenants.

"Board" shall mean and refer to the Board of Directors of the Association.

"Bylaws" shall mean and refer to the Bylaws of the Association, as adopted and amended from time to time in accordance with the provisions of the Texas Non-Profit Corporation Act and this Declaration.

"Central Appraisal District" or "CAD" shall mean and refer to the governmental and/or quasi-governmental agency(ies) (including without limitation the Central Appraisal District of Rockwall County and the Rockwall County Central Appraisal District) established in accordance with Texas Property Tax Code Section 6.01 et seq. (and its successor and assigns as such law may be amended from time to time) or other similar statute which has, as one of its purposes and functions, the establishment of an assessed valuation and/or fair market value for various lots, parcels and tracts of land in Rockwall County, Texas.

"Common Properties" shall mean and refer to (i) any and all areas of land within or adjacent to the Properties which are known, described or designated as common areas, private streets, street medians, gate house and gate apparatus, parks, recreational easements, utility easements, jogging trails, floodway easement areas including floodplain areas, facilities, if any, provided for the benefit of law enforcement, fire and similar governmental departments, perimeter fences and columns, off-site monuments and directional signs, landscape easements, greenbelt, open spaces, paths and trails, and the like, if any, shown on any recorded subdivision plat, and (ii) any easement granted to, or land owned by, the City of Heath, RCH Water Supply Corporation, Atmos Energy, TXU, SBC, (or their successors or assigns and any other utility that provides water or utility service to the Subdivision) that is used in connection with providing water or other utility service to or for the benefit of the Subdivision; provided that easements granted by an Owner for the exclusive benefit of and service to that Owner's Lot shall not constitute Common Properties unless designated in the Plat of the Subdivision, by declaration of the Declarant recorded in the Rockwall County deed records, or otherwise authorized by this Declaration or by law. The Declarant reserves the right to use, during the Development Period, portions of the Common Properties (e.g. a sales information center) for business matters directly and indirectly related to sales of Lots and the development of the Properties. Declarant shall convey record title to some or all of the Common Properties to the Association if, as and when deemed appropriate by Declarant in its sole discretion or as may be required by governmental officials, and Declarant shall at all times have and retain the right in its sole discretion to effect redesign or reconfiguration of the Common Properties (particularly along the edges) and to execute any open space declarations applicable to the Common Properties which may be permitted in order to reduce property taxes, and to take whatever steps may be appropriate to lawfully avoid or minimize the imposition of federal and state ad valorem and/or income taxes.

"Consumer Price Index" ("CPI") shall mean and refer to the Consumer Price Index of the Bureau of Labor Statistics of the U.S. Department of Labor for All Urban Consumers (Dallas Area). In the event the CPI shall be discontinued, then the index (or a substitute procedure which reasonably reflects and monitors fluctuations in consumer prices) most nearly the same as the CPI shall be used to make the calculations envisioned herein.

"Covenants" shall mean and refer to all covenants, conditions, restrictions, easements, charges and liens set forth in with this Declaration.

"Declarant" shall mean and refer to Daedelus Corporation, and any successor(s) and assign(s) of the Daedelus Corporation, with respect to the voluntary disposition of all (or substantially all) of the right, title and interest of Falcon Point Subdivision in and to the Properties accompanied by an express assignment of Declarant's rights hereunder.

"Declaration" shall mean and refer to this "Declaration of Covenants, Conditions, Restrictions, Easements, Charges and Liens on and for Falcon Point Subdivision," together with any and all amendments or supplements hereto.

"Deed" shall mean and refer to any deed, assignment, testamentary bequest, muniment of title or other instrument, or intestate inheritance and succession, conveying or transferring fee simple title or a leasehold interest or another legally recognized estate in a Lot.

"Design Guidelines" shall mean and refer to those particular standards, restrictions, guidelines, recommendations and specifications applicable to most of the aspects of construction, placement, location, alteration, maintenance and design of any improvements to or within the Properties, and all amendments, bulletins, modifications, supplements and interpretations thereof.

"Development Period" shall mean a period commencing on the date of the recording of this Declaration in the public real property records of Rockwall County, Texas and continuing thereafter so long as Declarant owns property within: (i) the Subdivision as defined herein; and (ii) all potential/future phases of the Subdivision as indicated by preliminary plat depicting the same. In no event shall this period be less than 48 months.

"Dwelling Unit" shall mean and refer to any building or portion of a building situated upon the Properties which is designed and intended for use and occupancy as a residence by a single person, a couple, a family or a permitted family size group of persons.

"Easement Area" shall mean and refer to those areas which may be covered by an easement specified in **ARTICLE X** below.

"Eligible Insurers" shall mean the insurers, guarantors, participants and subsidizers of the Eligible Mortgages.

"Eligible Mortgagees" shall mean the owners and holders of Institutional Mortgages which are required to satisfy the applicable requirements of FHA, VA, FNMA, FHLMC and other similar governmental, quasi-governmental and nationally recognized public and/or private sources of end financing (such mortgages sometimes referred to herein as "Eligible Mortgages").

"Exempt Property" shall mean and refer to the following portions of the Properties: (i) all land and Improvements owned by the United States of America, the State of Texas, Rockwall County, or any instrumentality, political subdivision or agency of any such governmental entity acting in a governmental (rather than a proprietary) capacity; (ii) all land and Improvements owned (including legal and beneficial ownership, whether now or in the future) by the Association or constituting a portion of the Common Properties; (iii) all land and Improvements which are not only exempt from the payment of ad valorem real property taxes by Rockwall County, the Rockwall Independent School District, and the State of Texas, but also are exempt from the payment of any assessments hereunder as expressly determined by written resolution of the Declarant, in its sole discretion, and/or the Association; and (iv) such other land(s) and/or Improvement(s) and/or Lot(s) which are specifically exempted from the payment of annual Assessments in accordance with a special resolution of the Board.

"Fiscal Year" shall mean each twelve (12) month period commencing on January 1 and ending on the following December 31, unless the Board shall otherwise select an alternative twelve month period.

"Greenway Frontage" shall mean and refer to community facilities, common green space, recreational facilities (including hike and bike trails and the like), floodway easement areas, which are adjacent to rear or side yard Lot lines and/or clearly visible from public streets, sidewalks and rights-of-way.

"Homebuilder" shall mean and refer to each entity and/or individual which: (i) is regularly engaged in the ordinary business of constructing residential dwellings on subdivision lots for sale to third-party homeowners as their intended primary residence; and (ii) has entered into a contract with the Declarant to purchase one or more Lots.

"Improvement" shall mean any physical change to raw land or to an existing structure which alters the physical appearance, characteristics or properties of the land or structure, including but not limited to adding or removing square footage area space to or from a structure, painting or repainting a structure, or in any way altering the size, shape or physical appearance of any land or structure.

"Institutional Mortgage" shall mean and refer to any bona-fide mortgage, lien or security interest held by a bank, trust company, insurance company, savings and loan association or other recognized lending institution, or by an institutional or governmental purchaser of mortgage loans in the secondary market, such as Federal National Mortgage Association, Federal Home Loan Mortgage Corporation or their successors, or guaranteed or subsidized by the FHA and/or VA.

"Lot" shall mean and refer to the lots as depicted in the approved original plat of the Subdivision that is platted, filed and recorded in the plat and map records of Rockwall County, Texas, as well as any and all platted and recorded revisions, additions, amendments, modifications, corrections or clarifications thereto.

"Members" shall mean and refer to each Resident who is in good standing with the Association and who has filed a proper statement of residency with the Association and who has complied with all directives and requirements of the Association. Each and every Owner shall take such affirmative steps as are necessary to become and remain a Member of, and in good standing in, the Association. Each and every Resident (who is not otherwise an Owner) may, but is not required to, be a Member of the Association.

"Owner" shall mean and refer to the holder(s) of the record title to the fee simple interest of any Lot whether or not such holder(s) actually reside(s) on any part of the Lot.

"Payment and Performance Lien" shall mean and refer to the lien described within Sections 5.8 and 5.9.

"Properties" shall mean and refer to: (i) the land described within Exhibit "A" attached hereto; and (ii) any other land hereafter expressly made subject to these Covenants by Declarant.

"Residents" shall mean and refer to:

- (a) each Owner;
- (b) each person residing on any part of the Assessable Property who is a bona-fide lessee pursuant to a written lease agreement with an Owner; and
- (c) each individual lawfully domiciled in a Dwelling Unit other than an Owner or bona-fide lessee.

"Structure" shall mean and refer to: (i) any thing or device, other than trees, shrubbery (less than two feet high if in the form of a hedge) and landscaping (the placement of which upon any Lot shall not adversely affect the appearance of such Lot) including but not limited to any building, garage, porch, shed, greenhouse or bathhouse, cabana, coop or cage, covered or uncovered patio, swimming pool, play apparatus, clothesline, fence, curbing, paving, wall or hedge more than two feet in height, signboard or other temporary or permanent living quarters or any temporary or permanent Improvement to any Lot; (ii) any excavation, fill, ditch, diversion dam or other thing or device which affects or alters the flow of any waters in any natural or artificial stream, wash or drainage channel from, upon or across any Lot; and (iii) any enclosure or receptacle for the concealment, collection and/or disposition of refuse; (iv) any change in the grade of any Lot

of more than three (3) inches from that existing at the time of initial approval by the Architectural Review Committee.

"Subdivision" shall mean and refer to that real property located in Rockwall County known as Falcon Point Subdivision, a subdivision of certain real property described within **Exhibit "A"** attached hereto and incorporated herein, in accordance with the map and plat thereof filed of record in the Map and Plat Records of Rockwall County, Texas, as well as any and all revisions, modifications, corrections or clarifications thereto.

"Taxing Authorities" shall mean and refer to the City of Heath, Rockwall County, the Rockwall Independent School District, and the State of Texas and any and all other governmental entities or agencies which have, or may in the future have, the power and authority to impose and collect ad valorem taxes on real property estates, in accordance with the Texas Constitution and applicable statutes and codes.

"Trustee" shall mean and refer to that certain individual(s) or entity(ies) designated or appointed from time to time and at any time by the Association to perform the duties and responsibilities described within Section 5.9 below, and its successors and assigns.

"Zoning Ordinance" shall mean and refer to any applicable zoning ordinance governmental regulations and all amendments thereto but only to the extent such ordinance, regulations and amendments are applicable to the Properties.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

Section 2.1 Existing Property. All of the Lots within the Subdivision are subject to this Declaration.

Section 2.2. Additions to Existing Property. Additional land(s) may become subject to this Declaration, or the general scheme envisioned by this Declaration, as follows:

(a) The Declarant may (without the joinder and consent of any person or entity) add or annex additional real property, including additional Common Properties, to the scheme of this Declaration within the next ten (10) years by filing of record an appropriate enabling declaration, generally similar to this Declaration, which may extend the scheme of the Covenants to such property. Such other declaration(s) may contain such complimentary additions and modifications of these Covenants as may be necessary to reflect the different character, if any, of the added properties and as are not inconsistent with the concept and purpose of this Declaration.

(b) In the event any person or entity other than the Declarant desires to add or annex additional Assessable Property and/or Common Property to the scheme of this Declaration, such annexation proposal must have the express approval of the Board, and during the Development Period such annexation proposal must also have the written consent of the Declarant.

Any additions made pursuant to this **Section 2.2**, when made, shall automatically extend the jurisdiction, functions, duties and membership of the Association to the properties added and correspondingly subject the properties added to the covenants of the enabling declaration.

Section 2.3. Deletions from Existing Property. The Declarant may (without the joinder and consent of any person or entity) delete or remove real property owned by Declarant, including Common Properties, from the scheme of this Declaration within the next ten (10) years by filing of record an appropriate enabling declaration, generally similar to this Declaration, which may remove the scheme of the Covenants from such property.

Section 2.4. Mergers and Consolidations. Declarant may (without the joinder and consent of any person or entity), within the next ten (10) years by filing of record an appropriate enabling declaration, generally similar to this Declaration, adopt an existing homeowner's association operated in association with other phases of the Subdivision as the Association hereunder; merge, consolidate or otherwise jointly operate the Association contemplated hereunder with other homeowner's association(s); and/or operate the Association contemplated hereunder to govern or regulate additional properties, including additional Lots and Common Properties, whether subject to these or other restrictive covenants.

ARTICLE III MEMBER AND VOTING RIGHTS IN THE ASSOCIATION

Section 3.1. Membership. Each Owner of each Lot which is subjected to these Covenants shall automatically be, and must at all times remain, a Member of the Association in good standing. Each and every Resident (who is not otherwise an Owner) may, but is not required to, be a non-voting Member of the Association. During the Development Period, the Association shall have two (2) classes of Members: Class A and Class B. The Class A Members shall include: (a) all Owners (other than the Declarant during the Development Period); and (b) all Residents (not otherwise Owners) who have properly and timely fulfilled all registration and related requirements prescribed by the Association. The Class B Member shall be the Declarant. Upon conclusion of the Development Period, the Class B membership shall terminate and the Declarant shall become a Class A Member.

Section 3.2. Voting Rights. There shall be two (2) classes of voting Members during the Development Period

Class A: Each Class A Member who is an Owner of a Lot shall be entitled to one (1) vote per Lot. In no event shall any one (1) Lot owned by a Class A member yield more than one (1) vote. If multiple owners of a single Lot cannot designate the voter for the Lot, then the owner whose name appears first on the deed to the Lot shall be entitled to cast the vote for the Lot. Class A Members who are not Owners shall not be entitled to vote.

Class B: The Class B Member shall have twenty-five (25) votes for each Lot it owns.

Any Owner who is a Class A Member shall not be in "good standing" and shall not be entitled to vote if such person or entity is: (a) in violation of any portion of these Covenants; (b) delinquent in the payment of any Annual Assessment, or any other fee which is payable pursuant to the provisions of these Covenants; or (c) in violation of rules and regulations set by the Board consistent with this Declaration after ten days written notice of such violation and failure to cure same.

The Board may make such rules and regulations, consistent with the terms of this Declaration and the Bylaws, as it deems advisable, for any meeting of Members; proof of membership in the Association; the status of good standing; evidence of the right to vote; the appointment and duties of examiners and inspectors of votes; the procedures for actual voting in person or by proxy; registration of Members who are Owners for voting purposes; and such other matters concerning the conduct of meetings and voting as the Board shall deem fit.

Section 3.3. Board of Directors. The affairs of the Association shall be managed initially by a board of three (3) individuals elected by the Class B Member. However, beginning with the fifth (5th) annual meeting of the Members of the Association and continuing thereafter, the Board shall be expanded to consist of five (5) individual Directors, three of whom shall be elected by the Class B Member and two of whom shall be elected by the Class A Members. Beginning with the first annual meeting after the end of the Development Period and continuing thereafter, the Board shall still consist of five (5) individual Directors, all of whom shall be elected by the Class A Members.

The Directors need not be Members of the Association. Directors shall be elected for two year terms of office and shall serve until their respective successors are elected and qualified. Any vacancy which occurs in the Board may be filled at any meeting of the Board by the affirmative vote of a majority of the remaining Directors representing the

same class of Members who elected the Director whose position has become vacant. Any Director elected to fill a vacancy shall serve as such until the expiration of the term of the Director whose position he or she was elected to fill.

The Board, no later than 30 days prior to the annual meeting of the Members, shall file with the Declarant and distribute to the Members (by whatever means the Board may deem reasonable and economical) a certification of the number of director positions to be elected by Class A Members in good standing and the number of director positions to be elected by the Class B Member. The actual election of the directors shall take place in accordance with the Bylaws or, to the extent not inconsistent with the Bylaws, the directives of the then-existing Board.

Section 3.4 Notice and Voting Procedures. Quorum, notice and voting requirements of and pertaining to the Association may be set forth within the Articles and Bylaws, as either or both may be amended from time to time, and shall be in accordance with applicable Texas law.

ARTICLE IV RIGHTS OF ENJOYMENT IN THE COMMON PROPERTIES

Section 4.1. Easement. Subject to the provisions of **Sections 4.2 through 4.9**, each and every Owner in good standing with the Association shall have a non-exclusive right and easement of enjoyment in and to all Common Properties, and such easement shall be appurtenant to and shall pass with every Lot, provided the conveyance and transfer is accomplished in accordance with this Declaration. All Residents in good standing with the Association shall have a non-transferable, non-exclusive privilege to use and enjoy all Common Properties for so long as they are Members in good standing in the Association.

Section 4.2. Extent of Members' Easements. The rights and easements of use, recreation and enjoyment created hereby shall be subject to the following:

(a) The right of the Declarant or Association to prescribe reasonable regulations (e.g. speed limits on the streets and limitations on parking on or in the streets) and policies governing, and to charge reasonable expense reimbursements and/or deposits (e.g., key, access card and/or radio transmitter device deposits) related to, the use, operation and maintenance of the Common Properties;

(b) Liens or mortgages placed against all or any portion of the Common Properties with respect to monies borrowed by the Declarant to develop and improve the Properties or Common Properties or by the Association to improve or maintain the Common Properties;

(c) The right of the Declarant or the Association to enter into and execute contracts with any party (including, without limitation, the Declarant or its corporate affiliates) for the purpose of providing management, maintenance or other materials or services consistent with the purposes of the Association and/or this Declaration;

(d) The right of the Declarant or the Association to take such steps as are reasonably necessary to protect the Common Properties against foreclosure;

(e) The right of the Declarant or the Association to enter into and execute contracts for the purpose of extending cable or utility service on, over or under the Common Properties to ultimately provide service to one or more of the Lots;

(f) The right of the Declarant or the Association to suspend the voting rights of any Owner and to suspend the right of any Member to use or enjoy any of the Common Properties for any period during which any assessment (including without limitation "fines") against a Lot resided upon by such Member remains unpaid, or during which non-compliance with this Declaration or the Design Guidelines exists, and otherwise for any period deemed reasonable by the Association for an infraction of the then-existing rules and regulations and/or architectural guidelines;

(g) The right of the Declarant, in its sole discretion, or the Association in conjunction with the Declarant, to hold, whether alone or in conjunction with others, activities within the Common Properties which may include selected invitees and/or the general public;

(h) The right of the Association to dedicate or transfer all or any part of the Common Properties to any municipal corporation, public agency, governmental authority, or utility for such purposes and upon such conditions as may be agreed to by the Board; and

(i) The right of the Declarant to grant permits, licenses and easements over the Common Properties for utilities, roads and other purposes deemed necessary or appropriate by Declarant.

Section 4.3. Restricted Actions by Members. No Member shall permit anything to be done on or in the Common Properties which would violate any applicable public law or Zoning Ordinance or which would result in the cancellation of or the increase of premiums for any insurance carried by the Declarant or the Association, or which would be in violation of any law or any rule or regulation promulgated by the Board.

Section 4.4. Damage to the Common Properties. Each Member shall be liable to the Declarant and to the Association for any damage to any portion of the Common Properties caused by the negligence or willful misconduct of the Member or his family or guests.

Section 4.5. Rules of the Board. All Members shall abide by any rules and regulations adopted by the Board. The Board shall have the power to enforce compliance with said rules and regulations by all appropriate legal and equitable remedies, and a Member determined to have violated said rules and regulations shall be liable to the Association for all damages and costs, including reasonable attorneys fees.

Section 4.6. Use of Common Properties. The Board shall have the power and authority to prescribe rules and regulations which extend to and cover matters such as (but not limited to) loud and obnoxious noises and behavior. No person or entity (excluding the Declarant) shall use any portion of the Common Properties to:

- (a) solicit, promote or conduct business, religious, political or propaganda matters;
- (b) distribute handbills, newsletters, flyers, circulars or other printed materials,

without the prior written consent of the Association (which consent may be withheld in its sole and absolute discretion). The Association may, on its own motion, permit and allow town hall meetings, voting precincts, community garage sales and bazaars and other reasonable activities to occur on the Common Properties in accordance with rules and regulations deemed reasonable and appropriate by the Association.

Section 4.7. User Fees and Charges. The Board may levy and collect special charges and fees for the operation and maintenance of the Common Properties which the Declarant or the Board determines to be necessary for the advancement, benefit and welfare of the Declarant, the Owners or Residents. When Owner shall fail to pay a charge or fee when due and payable, said unpaid charge or fee shall be delinquent and upon written notice to said Owner shall become a personal debt of said Owner. Failure of any Owner to pay said fee and charge when due and payable, in addition, shall be a breach of these Covenants.

Section 4.8. Encroachments. If: (a) construction, reconstruction or repair activities which have been approved by the ARC; or (b) shifting, settlement or other movements of any portion of ARC approved improvements, unintentionally results either in the Common Properties encroaching on a Lot or Dwelling Unit or in a Lot or Dwelling Unit encroaching on the Common Properties or on another Lot or Dwelling Unit, and unless otherwise directed by the ARC, a valid easement shall then and there exist to permit the encroachment and reasonable and necessary maintenance activities related thereto;

provided such encroachment does not materially damage or unreasonably interfere with the use of the Lot, and is not the result of intentional or grossly negligent conduct.

Section 4.9 Subdivision Entry Landscape Easement. The area on Block A, Lot 1 and Block B, Lot 1 of the Subdivision containing improvements and landscaping installed and maintained by the Declarant and/or the Association is reserved as a perpetual easement and designated as Common Properties for the purpose of an aesthetically pleasing entry to the Subdivision for the benefit of all Owners. Declarant and/or the Association reserve the right of access to such area for purposes of installation, replacement and maintenance of such improvements and landscaping, regardless of whether or not such area is so designated on the plat of the Subdivision or otherwise.

ARTICLE V

COVENANTS FOR ASSESSMENTS

Section 5.1. Creation of the Lien and Personal Obligation of Assessments. Declarant, for each Lot owned by it within the Subdivision, hereby covenants and agrees, and each subsequent Owner of any Lot, by acceptance of a Deed therefor, 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):

- (1) regular Annual Assessments;
- (2) special group assessments for capital improvements or unusual or emergency matters, such assessments to be fixed, established and collected from time to time as hereinafter provided;
- (3) 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 Properties caused by the willful or negligent acts of the individual Owner or any related Member, Resident or guest; the remedy, cure or minimizing of problems caused by, or as a result of violations of these Covenants by an Owner or any related Member of Resident or guest;
- (4) individual assessments and fines levied against an individual Owner for violations of rules and regulations pertaining to the Association and/or the Common Properties; and
- (5) special transfer assessment, discussed in **Article XI** below.

The regular, special group, special individual and individual assessments, together with such late charges, interest and costs of collection thereof as are hereinafter provided, 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 of the then-existing Owner of such Lot at the time when the assessment fell due. Each Owner of each Lot shall be directly liable and responsible to the Association for the acts, conduct and omission of each and every Member, Resident, and guest associated with the Dwelling Unit(s) on such Owner's Lot.

Section 5.2. Purposes of Assessments. The assessments levied by the Association shall be used in connection with the Common Properties and operation of the Association and the Subdivision; carrying out the duties of the Board of Directors of the Association as set forth in **Articles IV and VI** herein; carrying out the other various matters set forth herein and for any matter or thing in connection with any zoning, subdivision, platting, building, development or occupancy requirements of any governmental authority.

Section 5.3. Basis and Amount of Annual Assessments. Until and unless otherwise determined by the Board of Directors of the Association, the initial regular base assessment shall be Six Hundred and Fifty Dollars (\$650.00) per Lot per year.

The Board of Directors may be permitted to increase the maximum Annual Assessment without a vote of the Members, but such an adjustment should not exceed fifteen percent (15%) of the previous year's maximum Annual Assessment, or the change in the Consumer Price Index, whichever is greater. The annual maximum assessment may not be otherwise increased without the assent of at least seventy percent (70%) of the Owners at a meeting called for that purpose. The Board shall not increase the Annual Assessment except pursuant to this Section and shall not increase the Annual Assessment more than once in any Fiscal Year.

Notwithstanding any provision herein to the contrary, any and all lots owned by the Declarant during the Development Period shall be exempt from the payment of any and all assessments of any kind or character. Further, Declarant may exempt each Homebuilder from the payment of assessments for the remainder of the current calendar year in accordance with Section 5.5 below after the closing of each lot sold to such Homebuilder.

Section 5.4. Special Group Assessments. In addition to the regular Annual Assessment authorized by **Section 5.3** hereof, the Association may levy in any Fiscal 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 Properties, or for any unusual or emergency purpose(s) (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 sixty percent (60%) of the individuals comprising the Board.

Section 5.5. Rate of Assessments. Both regular and special group assessments must be fixed at a uniform rate for all residential Lots owned by Class A Members who are not Homebuilders, unless otherwise approved by at least eighty percent (80%) of the Owners. The Declarant shall have the right to collect \$300.00/Lot from each Homebuilder to cover the remainder of the current calendar year after the closing of each particular Lot, and thereafter the Homebuilder shall pay the standard regular assessment for such Lot.

Section 5.6. Date of Commencement of Assessments Due Dates. The Annual Assessment shall be due and payable in full in advance on the first day of each Fiscal Year and shall, if not paid within thirty (30) consecutive calendar days thereafter, become delinquent. 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 the preceding sentence. The Board may (but is not required to), however, prescribe time-price differential payment schedules which would permit the collection of an amount greater than the Annual Assessment on a semi-annual, quarterly or monthly basis provided that the creditworthiness of the Owner was acceptable to the Board and the inconvenience to the staff of the Association for additional invoicing and collection efforts was minimized or eliminated. The Board may further prescribe: (a) procedures for collecting advance regular Annual Assessments from new Owners, Members or Residents out of "closing transactions"; and (b) different procedures for collecting assessments from Owners who have had a recent history of being untimely in the payment(s) of assessments.

Section 5.7. Duties of the Board of Directors with Respect to Assessments.

(a) In the event of a revision to the amount or rate of the Annual Assessment, or establishment of a special group assessment, the Board shall fix the amount of the assessment against each Lot, and the applicable due date(s) for each assessment, at least sixty (60) days in advance of such date or period and shall, at that time, prepare a roster of the Lots and assessments applicable thereto which shall be kept in the office of the Association;

(b) Written notice of the applicable assessment shall be actually or constructively furnished to every Owner subject thereto in accordance with the procedures then determined by the Board as being reasonable and economical; and

(c) 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 therein stated to have been paid. A reasonable charge may be made by the Board for the issuance of such certificates.

Section 5.8. Effect of Non-Payment of Assessment: the Personal Obligation of the Owner, the Lien, and Remedies of Association.

(a) Effective as of 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 all assessments and other charges due hereunder. Such lien shall be at all times superior to any claim of homestead by any Owner. If any assessment, charge or fine or any part thereof is not paid on the date(s) when due, then the unpaid amount of such assessment, charge or fine shall, together with any late charge and interest thereon at the highest lawful rate of interest per annum and costs of collection thereof, become a continuing debt secured by the self-executing Payment and Performance Lien on the Lot of the non-paying Owner/Member/Resident which shall bind such Lot in the hands of the Owner and such 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 the full payment thereof. The personal obligation of the then-existing Owner to pay such assessment, however, shall remain the Owner's personal obligation and shall not pass to such Owner's successors in title unless expressly assumed by them. 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 provided herein by non-use of the Common Properties or abandonment of the Lot. 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 such assessments being a separate and independent covenant on the part of each Owner;

(b) The Association may also give written notification to the holder(s) of any mortgage on the Lot of the non-paying Owner of such Owner's default in paying any assessment, charge or fine, particularly where the Association has theretofore been furnished in writing with the correct name and address of the holder(s) of such mortgage, a reasonable supply of self-addressed postage prepaid envelopes, and a written request to receive such notification;

(c) If any assessment, charge or fine or part thereof 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 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. If applicable state law provides or requires an alternate ceiling under Vernon 5 Annotated Texas Civil Statutes Article 5069-1.04, then that ceiling shall be the indicated rate ceiling. 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;

(d) 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 Rockwall County, Texas which specifically identifies the unpaid assessments, charges or fines; and (ii) publish and post, within one or more locations within the Properties, a list of those individuals or entities who are delinquent and, if applicable, their suspended use and enjoyment of the Common Properties 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;

(e) All agreements between any Owner and the Association and/or Declarant, whether now existing or hereafter arising and whether written or oral and whether implied or otherwise, 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 or for the payment or performance of any covenant or obligation contained herein or in any other document exceed the maximum amount permissible under applicable law. If from any circumstance whatsoever fulfillment of any provision hereof or of such other document at the time performance of such provision shall be due, 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, such amount which would be excessive interest shall be applied to the reduction of the actual base assessment amount or principal amount owing hereunder 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 Annual Assessment hereof 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.

Section 5.9. Power of Sale. The lien described within the preceding Section is and shall be a contract Payment and Performance Lien. Each Owner, for the purpose of better securing each and all monetary obligations described within these Covenants, and in consideration of the benefits received and to be received by virtue of the ownership of real estate within Falcon Point Subdivision, has granted, sold and conveyed and by these covenants does grant, sell and convey unto the Trustee, such Owner's Lot. To have and to hold such Lot, together with the rights, privileges and appurtenances thereto belonging unto the said Trustee, and to its substitutes or successors, forever. And each Owner does hereby bind himself and/or herself, their heirs, executors, administrators and assigns to warrant and forever defend the Lot unto the said Trustee, its substitutes or successors and assigns, forever, against the claim, or claims of all persons claiming or to claim the same or any part thereof.

This conveyance is made in trust to secure payment of each and all assessments and other obligations prescribed by these Covenants to and for the benefit of the Association as the "Beneficiary". In the event of default in the payment of any obligation hereby secured, in accordance with the terms thereof, then and in such event, Beneficiary may elect to declare the entire indebtedness hereby secured with all interest accrued thereon and all other sums hereby secured due and payable (subject, however, to the notice and cure provisions set forth in Section 51.002 of the Texas Property Code), and in the event of default in the payment of said indebtedness when due or declared due, it shall thereupon, or at any time thereafter, be the duty of the Trustee, or its successor or substitute as hereinafter provided, at the request of Beneficiary (which request is hereby conclusively presumed), to enforce this trust; and after advertising the time, place and terms of the sale of the Lot then subject to the lien hereof and mailing and filing notices as required by Section 51.002, Texas Property Code, as then amended, and otherwise complying with that statute, the Trustee shall sell the Lot, then subject to the lien hereof, at public auction in accordance with such notices on the first Tuesday in any month between the hours of ten o'clock A.M. and four o'clock P.M., to the highest bidder for cash, selling all of the Lot as an entirety or in such parcels as the Trustee acting may elect, and make due conveyance to the purchaser or purchasers, with general warranty binding upon the Owner, his heirs and assigns; and out of the money arising from such sale, the Trustee acting shall pay first, all the expense 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 attorney's fees provided for, and then to Beneficiary the full amount of principal, interest, attorney's fees and other charges due and unpaid on said indebtedness secured hereby, rendering the balance of the sales price, if any, to the Owner, his heirs or assigns and/or to any other lienholder (if so required by applicable law); and the recitals in the conveyance to the purchaser or purchasers shall be hill and conclusive evidence of the

truth of the matters therein 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, his heirs and assigns.

It is agreed that in the event a foreclosure hereunder should be commenced by the Trustee, or its substitute or successor, Beneficiary may at any time before the sale of said property direct the said 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 thereof, and for a foreclosure of this contract lien, that it may at any time before the entry of a final judgment in said suit dismiss the same, and require the Trustee, its substitute or successor to sell the Lot in accordance with the provisions of this Section. 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 such Lot is sold credited on the debt then owing. Beneficiary in any event is hereby authorized to appoint a substitute trustee, or a successor trustee, to act instead of the Trustee named herein without other formality 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 hereunder, and each substitute and successor trustee shall succeed to all of the rights and powers of the original trustee named herein. In the event any sale is made of the Lot, or any portion thereof, under the terms of this section, the Owner, his heirs and assigns, shall forthwith upon the making of such sale surrender and deliver possession of the property so sold to the purchaser at such sale, and in the event of his failure to do so he shall thereupon from and after the making of such sale be and continue as tenants at will of such purchaser, and in the event of his failure to surrender possession of said property upon demand, the purchaser, his heirs or assigns, shall be entitled to institute and maintain an action for forcible detainer of said property in the Justice of the Peace Court in the Justice Precinct in which such property, or any part thereof, is situated. The foreclosure of the continuing contract lien on any one or more occasion shall not remove, replace, impair or extinguish the same continuing lien from securing all obligations arising from and after the date of foreclosure.

Each Owner vests in the Association the authority to appoint an agent or trustee to act on behalf of the Association in the enforcement of any lien authorized hereunder. This authority includes the right to appoint a substitute agent or trustee, and as many substitutes or successors thereto as the Association may thereafter deem necessary, to act instead of any agent or Trustee without other formality than the designation in writing of a substitute or successor.

Section 5.10. Rights of City of Governmental Authorities. In the event that the Association, its successors or assigns, shall fail or refuse to adequately maintain the appearance and condition of the Common Properties which it is obligated to maintain

hereunder, any appropriate governmental authority having jurisdiction shall have the right and may assume the duty of performing all such maintenance obligations of the Association at any time, upon giving written notice to the Owners or at any time after the expiration of ten (10) days after receipt by the Association, its successors or assigns, of written notice specifying in detail the nature and extent of the failure to maintain without such failure being remedied. Upon assuming such maintenance obligations, such governmental authority may levy an assessment upon each Lot on a pro rata basis for the cost of such maintenance, notwithstanding any other provisions contained in this Declaration, which assessment shall constitute a lien upon the Lot against which each assessment is made. During the period such governmental authority has a right and assumes the obligation to maintain and care for the Common Properties, the Association shall have no obligation or authority with respect to such maintenance. The right and authority of such governmental authority to maintain the Common Properties shall cease and terminate when the Association, its successors or assigns, shall present to such governmental authority reasonable evidence of its willingness and ability to resume maintenance of the Common Properties. In the event such governmental authority assumes the duty of performing the maintenance obligations of the Association as provided herein, then such governmental authority, its agents, representatives and employees shall have right of access to and over the Common Properties for the purpose of maintaining, improving and preserving the same; and in no event, and under no circumstances, shall such governmental authority be liable to the Association or any Owner, Resident or Member, or their respective heirs, executors, administrators, devisees, personal representatives, successors and assigns for negligent acts and preserving the Common Properties, or to any Owner, Resident, Member, the Association or any other person for failure to perform such maintenance.

Section 5.11. Subordination of the Lien to Mortgages. The lien securing the payment of the assessments and other obligations provided for herein 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 for:

(a) bona-fide first mortgage or deed of trust liens for purchase money and/or home improvement purposes placed upon a Lot, including without limitation Institutional Mortgages and Eligible Mortgages, in which event the Association's lien shall automatically become subordinate and inferior to such first lien;

(b) liens for taxes or other public charges as are made superior to the Association's lien by applicable law; and

(c) such other liens about which 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) the 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; (ii) the permitted lien on the Lot alone and not on or to any easement appurtenant for use and enjoyment of the Common Properties. Such sale shall not relieve such Lot from liability for the amount of any assessment thereafter becoming 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 hereunder.

Section 5.12. Exempt Property. The following property otherwise subject to this Declaration shall be exempted from any assessments, charge and lien created herein:

- (a) All properties dedicated to and accepted by a local public or governmental authority;
- (b) Common Properties;
- (c) Exempt Property; and
- (d) All properties owned by Declarant.

Section 5.13. Cumulative Remedies. The Assessment lien and the right to foreclosure sale hereunder shall be in addition to and not in substitution of all other rights and remedies which the Association and its successors or assigns may have hereunder and by law, including the right of suit to recover a money judgment and for injunction.

ARTICLE VI GENERAL POWERS AND DUTIES OF THE BOARD OF DIRECTORS OF THE ASSOCIATION

Section 6.1. Powers and Duties. The affairs of the Association shall be conducted by its Board. The Board, for the benefit of the Declarant, the Association, the Properties and the Owners and the Members and Residents, may provide and may pay for, out of the assessment fund(s) provided for in **Article V** above, one or more of the following:

- (a) Care, preservation and maintenance of the Common Properties (including without limitation the proper maintenance of the private streets, open areas and park areas) and the furnishing and upkeep of any desired personal property for use in or on the Common Properties;

(b) Recreational and social programs and activities for the general benefit of the Residents and programs which are designed only for separately identifiable sub-groups of Residents, such as (but not limited to) infants, adolescents, teenagers, students, mothers and senior citizens;

(c) Supplementing (to the extent, if any, deemed necessary, appropriate and affordable by the Board) the police, fire, ambulance, garbage and trash collection and similar services within the Properties traditionally provided by local governmental agencies;

(d) Taxes, insurance and utilities (including, without limitation, electricity, gas, water, sewer and telephone charges) which pertain to the Common Properties;

(e) The services of any person or firm (including the Declarant and any affiliates of the Declarant) to manage the Association or any separate portion thereof, to the extent deemed advisable by the Board, and the services of such other personnel as the Board shall determine to be necessary or proper for the operation of the Association, whether such personnel are employed directly by the Board or by the manager of the Association. The Board is specifically authorized to hire and employ one or more managers, secretarial, clerical, staff and support employees. The Board is specifically authorized to engage personnel (such as ad valorem tax consultants and computer operators) and purchase equipment (such as computers, software and electronic communication and transmission devices) for the administration of the collection of assessments described within the preceding Article V;

(f) Legal and accounting services and all costs and expenses reasonably incurred by the Architectural Review Committee; and

(g) Any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, taxes or assessments which the Board is required to obtain or pay for pursuant to the terms of this Declaration or which in its opinion shall be necessary or proper for the operation or protection of the Association or for the enforcement of this Declaration.

Section 6.2. Additional Rights, Powers and Duties. The Board shall have the following additional rights, powers and duties:

(a) To execute all declarations of ownership for tax assessment purposes with regard to any of the Common Properties owned by the Association;

(b) To enter into agreements or contracts with insurance companies, Taxing Authorities, the holders of first mortgage liens on the individual Lots and utility companies with respect to: (i) any taxes on the Common Properties; (ii) monthly escrow and impound payments by a mortgagee regarding the assessment, collection and disbursement process

envisioned by **Article V** herein above; (iii) utility installation, consumption and service matters; and (iv) the escrow or impounding of monies sufficient to timely pay the Annual Assessment applicable to any Lot;

(c) To borrow funds (including, without limitation, the borrowing of funds from the Declarant and/or its affiliates) to pay costs of operation, secured by such assets of the Association as deemed appropriate by the lender and the Association;

(d) To enter into contracts, maintain one or more bank accounts and, generally, to have all the powers necessary or incidental to the operation and management of the Association;

(e) To protect or defend the Common Properties from loss or damage by suit or otherwise, to sue or defend in any court on behalf of the Association and to provide adequate reserves for repairs and replacements;

(f) To make reasonable rules and regulations for the operation of the Common Properties and to amend them from time to time and to enter into concession agreements regarding food, beverage, vending and other products and services within the Common Properties;

(g) To prepare an annual operating budget and to make available for review by each Owner at the Association offices within ninety (90) days after the end of each Fiscal Year an annual report;

(h) Pursuant to **Article VII** herein, to adjust the amount, collect and use any insurance proceeds to repair damage or replace lost property; and if proceeds are insufficient to repair damage or replace lost property, to assess the Owners in proportionate amounts to cover the deficiency;

(i) To enforce the provisions of this Declaration and any rules made hereunder and to enjoin and seek damage from any Owner, Resident or Member for violation of such provisions or rules. The Board is specifically authorized and empowered to establish (and to revise and amend from time to time) a monetary "fines" system which may include component steps such as warning citations ticketing, due process hearings and appeals and a flat rate or discretionary range or geometric progression of fine amounts, which, when pronounced, shall constitute a permitted individual Lot Owner assessment secured by the continuing Payment and Performance Lien herein established; and

(j) To make such rules and regulations governing the rights and responsibilities of the Owners and appropriate consequences and penalties as a result of any breach of the same and these Covenants as are in the best interest of the Subdivision and all of the Owners.

Section 6.3. Dealings Between Association and Declarant. The Association may: (i) borrow monies from the Declarant; (ii) lease equipment from the Declarant; (iii) contract with the Declarant concerning the provision of any personnel, labor, supplies, materials and services, provided such contract terms and conditions are: generally comparable (in terms of price, quality and timeliness) with those that might be otherwise obtained from unrelated third parties; and, as to professional management contracts, terminable by the Association at any time for any reason whatsoever and without penalty upon furnishing at least ninety (90) days advance notice thereof to Declarant. The Board shall not be required to solicit bids from unrelated third parties before entering into any contract with the Declarant (absent fraud, gross negligence or willful misconduct) and any such contract shall be final and conclusive and binding upon the Association and all of its Members,

Section 6.4 Declarant Authorized to Act. In the event or if for any reason the Board is not deemed authorized to act for and on behalf of the Association and the Members, then the Declarant may exercise its power and authority under **Section 12.1**, to act for and on behalf of the Association and the Members, and the Association shall reimburse the Declarant for any and all reasonable expenses incurred in so acting.

Section 6.5. Maintenance Contracts. The Board, on behalf of the Association, shall have full power and authority to contract with any Owner, Member or Resident (including, without limitation, the Declarant) for performance, on behalf of the Association, of services which the Association is otherwise required to perform pursuant to the terms hereof, such contracts to be upon such terms and conditions and for such consideration as the Board may deem proper, advisable and in the best interests of the Association.

Section 6.6. Liability Limitations. Neither any Resident nor the directors and officers and managers of the Association shall be personally liable for debts contracted for or otherwise incurred by the Association or for any torts committed by or on behalf of the Association or for a tort of another Resident, whether such other Resident was acting on behalf of the Association or otherwise. Neither the Declarant, the Association, its directors, officers, managers, agents or employees shall be liable for any actual, incidental or consequential damages for failure to inspect any premises, improvements or portion thereof or for failure to repair or maintain the same. The Declarant, the Association or any other person, firm or corporation liable to make such repairs or maintenance shall not be liable for any personal injury or other actual, incidental or consequential damages occasioned by any act or omission in the repair or maintenance of any premises, improvements or portion thereof.

Section 6.7. Reserve Funds. The Board may establish reserve funds which may be maintained and/or accounted for separately from other funds maintained for annual operating expenses and may establish separate, irrevocable trust accounts or any other

recognized bookkeeping or tax procedures in order to better demonstrate that the amounts deposited therein are capital contribution and not net or taxable income to the Association.

**ARTICLE VII
INSURANCE; REPAIR; RESTORATION;
COMMUNITY SERVICES ARRANGEMENTS**

Section 7.1 Right to Purchase Insurance. The Association shall have the right and option to purchase, carry and maintain in force insurance covering any or all portions of the Common Properties, any improvements thereon or appurtenant thereto, for the interest of the Association, its Board of Directors, officers, managers, agents and employees, and all Members of the Association, in such amounts and with such endorsements and coverage as shall be deemed appropriate by the Board and/or as specifically required by the Eligible Mortgagees or Eligible Insurers. Such insurance may include, but need not be limited to:

(a) Insurance against loss or damage by fire and hazards covered by a standard extended coverage endorsement in an amount which shall be equal to the maximum insurable replacement value, excluding foundation and excavation costs;

(b) Comprehensive public liability and property damage insurance on a broad form basis, including coverage of personal liability (if any) of the Board, Owners, Residents and Members with respect to the Common Properties;

(c) Fidelity bonds for all officers and employees of the Association having control over the receipt or disbursement of funds; and

(d) Liability insurance regarding the errors and omissions of directors, officers, managers, employees and representatives of the Association.

Section 7.2. Insurance and Condemnation Proceeds. During the development period, the Declarant shall be the exclusive representative of the Members and association in any proceedings, negotiations, settlements or agreements concerning insurance or condemnation. The Declarant may use the net insurance or condemnation proceeds to repair and replace any damage or destruction of property, real or personal, covered by each insurance or condemnation. Any balance from the proceeds of insurance or condemnation paid to Declarant or the Association, remaining after satisfactory completion of repair and replacement or after the Board has elected to waive the repair, restoration or replacement, shall be retained by the Association as part of a general reserve fund for repair and replacement of the Common Properties. After the development period, the aforementioned powers and duties shall pass from Declarant to the Board.

Section 7.3. Insufficient Proceeds. If the insurance or condemnation proceeds are insufficient to repair or replace any loss or damage, the Association may levy a special group assessment as provided for in **Article V** of this Declaration to cover the deficiency.

Section 7.4. Community Services Arrangements. Declarant or the Association in its/their sole discretion may now or hereafter arrange for restricted vehicle access to the common areas.

In the event any such actions are taken, Declarant and the Association do not warrant or guarantee that: (a) the community services personnel and/or gate arrangements are sufficient and adequate to diminish or eliminate the commission of crimes against persons or property; or (b) crimes against persons or property will not be attempted or actually occur within the Properties. Such community services arrangements are not designed or intended to replace the conventional law enforcement and fire protection and paramedical services, if any, available in the City of Heath or Rockwall County, Texas nor will such items restrict or impede pedestrian traffic into the Properties.

The Association may carry public liability insurance generally covering bodily injury and property damage arising out of negligent acts by officers, directors and employees of the Association. The Association will not carry any insurance pertaining to, nor does it assume any liability or responsibility for, bodily injury to, or the real or personal property of, the Owners, Residents and Members (and their respective family members and guests).

Each Owner, Resident and Member expressly understands, covenants and agrees with the Declarant and the Association that;

(a) Neither Declarant nor the Association has any responsibility or liability of any kind or character whatsoever regarding or pertaining to the real and personal property of each Owner, Resident and Member;

(b) Each Owner, Resident and Member shall, from time to time and at various times, consult with reputable insurance industry representatives of such Owners, Resident's and Members own selection to select, purchase, obtain and maintain appropriate insurance providing the amount, type and kind of insurance deemed satisfactory to such Owner, Resident and Member covering his or her real and personal property;

(c) Each Owner, Resident and Member releases and holds Declarant, the Board and the Association harmless from any uninsured liability, claims, causes of action or damages of any kind or character, whatsoever arising out of or related (directly or

indirectly) to all aspects of any community services system implemented and all private streets within the Properties, including, without limitation:

- (1) the interviewing, hiring, training, licensing (if any), bonding (if any) and employment of community services personnel, if any;
- (2) the instructions, directions and guidelines issued to or by the community services personnel, if any;
- (3) the duties, performance, actions, inactions or omissions of or by the community services personnel, if any;
- (4) the functioning (whether mis-, mal-, or non-) of the mechanical gate access devices, if any; and
- (5) any impediment that mechanical gate access devices, if any, may cause to law enforcement and fire protection and paramedic services available in Rockwall County, Texas.

(d) Each Owner, Resident and Member will cooperate with Declarant, the Association and the ARC in connection with the establishment, evolution and maintenance of reasonable controls on the pedestrian and vehicular traffic into and within the common areas and abide by any and all rules and regulations of the Association, as adopted and promulgated from time to time, related to the entry upon and use of any private streets and other Common Areas within the Properties.

ARTICLE VIII

ARCHITECTURAL REVIEW

Section 8.1. Architectural Review Committee. The Architectural Review Committee ("ARC") shall be composed of at least three (3) individuals selected and appointed by the Declarant, each generally familiar with residential and community development design matters and knowledgeable about the Declarant's concern for a consistent approach to and construction of improvements within Falcon Point Subdivision. In the event of the death, incapacity or resignation of any member of the ARC, the Declarant (during the Development Period) shall have full authority to designate and appoint a successor. From and after conclusion of the Development Period, the ARC members shall be appointed, and replaced in the event of death, incapacity or resignation, by the Board.

The Declarant shall have full jurisdiction and approval authority over the original structures built on any Lot. The ARC shall have no jurisdiction over the original home, garage or other building built on a lot unless and until specifically delegated by the

Declarant. Jurisdiction shall pass to the ARC when a home is occupied. During this jurisdictional period, the Declarant shall have full authority and sole discretion to grant variances and waivers as to any guidelines, requirements, covenants or restrictions contained in these Declarations. Unless a variance or waiver is granted by Declarant, all guidelines, requirements and covenants shall remain in full effect.

Whenever this Declaration provides for the architectural control approval, or any other approval or consent of Declarant or ARC, the authority to grant or withhold such architectural control approval, or other approval or consent, shall be vested in the Declarant; provided, however, that upon the election of the ARC Declarant may, in its sole discretion, assign and delegate such part or all of such authority of Declarant in regard to architectural control approval as Declarant may elect. Nothing herein shall be interpreted to require that Declarant actually record such Statement so long as it has record fee simple title to property within the Subdivision. In the event of the delegation of authority by Declarant, such authority of Declarant so delegated shall be vested in and exercised by the ARC, except as to approval of plans, specifications and plats theretofore submitted to Declarant which shall continue to exercise such authority over all such plans, specifications and plats. Notwithstanding anything contained herein to the contrary, so long as Declarant owns record fee simple title to property within the Subdivision, Declarant retains the right to resend any prior delegation of authority and to exercise in its sole discretion authority concerning matters of architectural control approval.

Section 8.2. ARC Jurisdiction. No building, structure, fence, wall or improvement of any kind or nature shall be erected, placed or altered on any Lot until all plans and specifications have been submitted to and approved in writing by the ARC, or a majority of its members, as to:

- (i) quality of workmanship and materials, adequacy of site dimensions, adequacy of structure design, proper facing of main elevation with respect to nearby streets, and zero lot-line considerations, in accordance with this Declaration and/or the Design Guidelines and/or bulletins;
- (ii) minimum finished floor elevation and proposed footprint of the dwelling;
- (iii) conformity and harmony of the external design, color, type and appearance of exterior surfaces and landscaping;
- (iv) drainage solutions;
- (v) the observance of and compliance with applicable setback lines and easement areas and the enhancement of aesthetic views and visual corridors to and from the Common Properties; and

- (vi) the other standards set forth within this Declaration (and any amendments hereto) or as may be set forth within the Design Guidelines, bulletins promulgated by the ARC, or matters in which the ARC has been vested with the authority to render a final interpretation and decision.

The ARC is authorized and empowered to consider and review any and all aspects of construction and location of improvements and landscaping, which may, in the reasonable opinion of the ARC, adversely affect the living enjoyment of one or more Owner(s) or Residents or the general value of the Properties. Also, the ARC is permitted to consider technological advances and changes in design and materials and such comparable or alternative techniques, methods or materials may or may not be permitted, in accordance with the reasonable opinion of the ARC.

The following is a general outline of the steps likely to be involved in the review of plans and specifications:

- (1) Submit preliminary plans and specifications to the ARC;
- (2) Submit final plans and specifications to the ARC;
- (3) Submit plans and specifications to any governmental body requiring such review; and
- (4) Submit copy of building permit, if any, to the ARC.

The ARC may require as a condition precedent to any approval of the final plans and specifications, that the applicant obtain and produce any building permits required by any governmental entity. The ARC is also authorized to coordinate with all governmental entities in connection with the applicant's observance and compliance of the construction standards set forth in this Declaration.

Each Owner shall use its respective best efforts to commence construction of all improvements approved by the ARC required by any governmental entity within sixty (60) days after obtaining all necessary governmental approvals therefor and thereafter diligently pursue the project through to completion.

Section 8.3 Design Guidelines. The ARC may (but shall not be required to), from time to time, publish and promulgate additional or revised Design Guidelines, and such design guidelines shall be explanatory and illustrative of the general intent of the proposed development of the Properties and are intended as a guide to assist the ARC in reviewing plans and specifications. The Architectural Review Committee shall have the right, power

and authority to establish and prescribe architectural restrictions and guidelines pertaining to items and topics such as but not necessarily limited to:

(a) A site plan showing the "footprint" of the building, lot-line factors, set-back lines, location of all existing trees (indicate size and type) and proposed improvements, including but not limited to, structures, patios, driveways, parking areas and structures, fences and walls.

(b) Exterior elevations of all proposed buildings and structures.

(c) A description and samples of exterior materials, colors, textures and shapes of all buildings and structures.

(d) Landscape plans, which shall include walkways fences, walls, details, elevation changes, irrigation and watering systems, vegetation and ground cover (indicating size, spacing and quantity), and the protection and preservation of trees and other existing and introduced vegetation.

(e) Utility connections, including routing of electrical, gas, water, sanitary sewer, telephone cables and prewired CATV facilities

(f) Exterior illumination and location.

(g) Dimensional floor plan of all enclosed spaces and any garages or parking facilities.

(h) Smoke detector locations.

(i) Mailbox location and design.

(j) Drainage solutions.

(k) Such other matters as may be required by the then applicable zoning and building codes of any governmental entity having jurisdiction.

(l) The items described within Section 8.2 above and any other data or information requested or deemed reasonably necessary by the Architectural Review Committee.

PRIOR TO ACQUIRING ANY INTEREST IN A LOT, EACH PROSPECTIVE PURCHASER, TRANSFEREE, MORTGAGEE AND OWNER OF ANY LOT IN THE SUBDIVISION IS STRONGLY ENCOURAGED TO CONTACT THE DECLARANT OR ASSOCIATION OR THE ARC TO OBTAIN AND REVIEW

**THE MOST RECENT DESIGN GUIDELINES WHICH WILL
CONTROL THE DEVELOPMENT, CONSTRUCTION AND USE
OF THE LOT.**

0
4
2
0
90
0
1
4
3

Section 8.4. Preliminary and Final Plan Submissions. The Architectural Review Committee is authorized and empowered to and shall consider, review and comment on preliminary plans submitted in duplicate on an informal basis to assist Owners, developers, homebuilders and prospective purchasers of the Lots in complying with these Covenants and to assist in the completion of any feasibility studies undertaken by such persons or entities. The ARC shall have the right, however, to prescribe reasonable limitations concerning the time, effort and expense likely to be involved in handling such matters on an informal basis. If the preliminary plans and specifications are approved by the ARC, the Owner or the Owners designated representative will be so advised by letter containing a reasonable statement and explanation of items found not to comply with these Covenants. If the ARC fails to approve or disapprove such plans and specifications within fifteen (15) days after the actual date on which the submission is received, approval of the matters submitted shall be presumed. Comments on and approvals of preliminary plans and specifications shall be binding upon the Architectural Review Committee provided that conforming final plans and specifications are submitted within ninety (90) days of such preliminary comments or approvals.

Final plans, specifications and surveys shall be submitted in duplicate to the Committee for approval or disapproval. The Committee is authorized to request the submission of samples of proposed construction materials. At such time as the plans, specifications and surveys meet the approval of the ARC, one complete set of plans, specifications and surveys will be retained by the ARC and the other complete set will be marked "Approved" and returned to the Lot Owner or his designated representative. If found not to be in compliance with these Covenants, one set of such plans, specifications and surveys shall be returned marked "Disapproved," accompanied by a reasonable statement and explanation of items found not to comply with these Covenants. Any modification or change to the approved set of plans, specifications and surveys must again be submitted to the ARC for its inspection and approval. The ARC's approval or disapproval, as required herein, shall be in writing. If the ARC fails to approve or disapprove such plans, specifications and surveys within thirty (30) days after the actual date on which the submission is received, then the ARC approval shall be presumed.

Section 8.5. ARC General. The ARC shall be entitled, at any time and from time to time, to associate or employ a staff and to seek and obtain professional advice and counsel (including but not limited to architects, attorneys, designers, engineers and landscape technicians) in connection with the performance of its duties with all reasonable

costs and expenses related thereto paid for or reimbursed by the Association. The Association may, in turn, reasonably recoup some or all of these expenses from the applicants seeking review and approval of plans and specifications.

The Declarant and/or the Association and/or the ARC may require any Owner to restore such Owner's improvements or alteration to the condition existing prior to the construction thereof (including, without limitation, the demolition and removal of any unapproved improvement) if such improvements or alterations were commenced or constructed in violation of this Article. In addition, the Declarant and/or the Association and/or the ARC may, but has no obligation to do so, cause such restoration, demolition and removal and levy the amount of the cost thereof as a special individual assessment against the Lot upon which such improvements or alterations were commenced or constructed. A material violation of these Covenants shall be deemed to have occurred if no prior express written approval of the ARC has been obtained where it was originally required, even if hindsight reveals that the actual plans and specifications would have been approved by the ARC had they been properly and timely submitted.

Neither Declarant, nor the Association, nor the ARC, nor the Board nor the officers, directors, managers, members, employees and agents of any of them, shall be liable in damages to anyone submitting plans and specifications to any of them for approval, or to any Owner of property affected by these restrictions by reason of mistake in judgment, negligence, or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications. No approval of plans and specifications and no publication of any Design Guidelines shall be construed as representing or implying that such plans or specifications or guidelines will, if followed, result in properly designed improvements and/or improvements built in a good and workmanlike manner. Every person or entity who submits plans or specifications, and every Owner of each and every Lot, agrees that he will not bring any action or suit against Declarant, the Association, the ARC, the Board, or the officers, directors, managers, members, employees and agents of any of them, to recover any such damages and hereby releases, premises and quitclaims all claims, demands and causes of action arising out of or in connection with any judgment, negligence or nonfeasance and hereby waives the provisions of any law which provides that a general release does not extend to claims, demands and causes of action not known at the time the release was given.

After reasonable notice to the Owner (and any applicable Resident), any member or agent of the ARC may from time to time at any reasonable hour or hours enter and inspect any property subject to the jurisdiction of the ARC to confirm improvement or maintenance or alteration in compliance with the provisions hereof. No improvements or addition or change or alteration thereof shall be constructed, erected, placed, altered or maintained on any Lot which is in violation of any applicable governmental laws, rules or regulations. However, Declarant, the Association, the ARC and their respective officers, directors, managers, agents and employees shall have no obligation to enforce or to report the violation of any such law, ordinance, rule or regulation.

The ARC shall have the power to grant variances, waivers, tolerances or modifications of the standards set forth within the Covenants under circumstances and conditions deemed reasonable, appropriate and prudent by the ARC. Matters of "quality," "adequacy" and "propriety" are to be considered by the ARC generally from an aesthetic standpoint, rather than from an engineering standpoint. Plans and specifications are not reviewed or approved for engineering or structural design or technical quality of materials, and by approving such plans and specifications neither the ARC, nor the members thereof, nor the Association assumes liability or responsibility therefor, nor for any defect in any structure constructed from such plans and specifications.

ARTICLE IX

USE OF LOTS IN THE SUBDIVISION: PROTECTIVE COVENANTS

The Subdivision (and each Lot situated therein) shall be constructed, developed, occupied and used as follows:

Section 9.1. No Lot shall be used except for residential purposes. No trade or business of any kind (other than the development of the SUBDIVISION, the sale of Lots and the building and sale of Dwelling Units) shall be conducted upon the Property or any part thereof. No structure shall be erected, placed, altered, used for, or permitted to remain on any Lot other than one detached single-family private dwelling not to exceed two (2) stories and one private garage for not more than four (4) cars. Servants' quarters for use of bona-fide servants employed upon the premises may be constructed externally and must harmonize with existing structures.

Section 9.2. On all Lots the ground floor area of the main Dwelling Unit, exclusive of porches, terraces, garages and out-buildings, shall contain no less than 3,000 square feet in the case of a one-story structure, and not less than 2,000 square feet in the case of a one and one-half or two-story structure; and the total floor area (ground floor plus second floor) of each and every Dwelling Unit shall be not less than 3,000 square feet.

Section 9.3. The exterior construction of each Dwelling Unit shall be of 80% brick, stucco, stone or other materials provided such other materials are approved in writing by the ARC. Roofs shall be of wood shingle, slate, clay, timberline, or concrete tile, or such other material as approved in writing by the ARC. The terms "brick" and "stone" as used in the covenants shall include the following construction materials: Face brick, Natural stone, and/or Manmade stone.

The terms "brick" and "stone" as used in the covenants shall NOT include the following: Concrete Masonry Units (CMU), Exterior Insulated Finishing Systems, (EIFS, including trade names such as "Dryvit", "Sto" and all similar products), and/or Plaster.

Any deviations from the above are to be submitted to the Declarant or the Architectural Review Committee for approval.

Section 9.4. No Dwelling Unit shall be erected on any Lot at any point nearer the front and side property line designated on the recorded plat as "Building Line."

Section 9.5. Construction of new Structures only shall be permitted, it being the intent of this Covenant to prohibit the moving of any existing building onto a Lot and remodeling or converting same into a Dwelling Unit.

Section 9.6. No Structures shall be erected, placed, or altered on any Lot until the building plans, specifications, and plot plan showing the location of the same has been approved in writing by the ARC as to quality of workmanship and materials, harmony of external design with existing structures, and as to location of the same with respect to topography and finish grade elevation.

Section 9.7. Trucks with a GVWR in excess of one-ton and any vehicle with advertisement (painted or decal) shall not be permitted to park overnight on the streets, driveways, or otherwise within the Subdivision at any time. Advertisements on vehicles cannot exceed 6 square feet total per vehicle unless parked in a garage. No trailers, travel trailers, motor homes, watercraft or recreational vehicles of any type shall be permitted to park for any period in excess of 24 hours on the streets, driveways, or otherwise within the Subdivision or on any Lot, except that any such craft may be stored in a garage.

Section 9.8. No vehicle of any size which transports inflammatory or explosive cargo may be kept in this Subdivision at any time.

Section 9.9. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which may be, or may become, an annoyance or nuisance to the neighborhood.

Section 9.10. No Structure of a temporary character, such as a trailer, tent, shack, garage, barn or other out-building, shall be placed on any Lot at any time as a Dwelling Unit.

Section 9.11. No sign of any kind shall be displayed to the public view on any Lot except one sign of not more than five square feet advertising the Lot and Dwelling Unit during the initial construction and sales period.

Section 9.12. Easements for drainage facilities and easements for the installation and maintenance of utilities are reserved as shown on the recorded plat. Easements are reserved for the benefit of: RCH Water Supply Corp., Declarant, the City of Heath, Atmos Gas, TXU, SBC for their installation, operation, maintenance, and ownership of service lines from the lot lines to the residences in the Subdivision.

Section 9.13. No construction of any permanent structures, fences, swimming pools and storage buildings within any drainage easement as shown on the final plat of the project will be permitted on any Lot.

Section 9.14. No oil or gas drilling, oil or gas development operation, oil or gas refining, quarrying, or mining operations of any kind shall be permitted upon or in any Lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot. No derrick or other structure designed for use in boring for oil or gas shall be erected, maintained or permitted upon any Lot.

Section 9.15. No animals, livestock, reptiles, fish, birds, or poultry of any kind shall be raised, bred or kept on any Lot. A maximum of four (4) adult common household pets may be kept on the Lot, provided however, that they are not kept, bred or maintained for commercial purposes and provided they do not constitute a nuisance and do not, in the sole judgment of Declarant or the ARC, constitute a danger or potential or actual disruption of other Lot Owners, their families or guests. All common household pets shall be kept in the Subdivision only upon the condition that the custodian thereof abide by all of the ordinances and regulations of the City of Heath, Texas, with respect to the care, control and ownership of such animals within such City, including, but not limited to "leash" and "vaccination" ordinances, and reference is hereby made to such ordinances and regulations for all purposes.

Section 9.16. No Lot shall be used as a dumping ground for rubbish, trash, garbage, or other waste. Rubbish, trash, garbage, or other waste shall not be kept except in sanitary containers, and all incinerators or other equipment for the storage or other disposal of such materials shall be kept in a clean and sanitary condition.

Section 9.17. No individual water supply system shall be permitted on any Lot unless such system is located, constructed, and equipped in accordance with the requirements, standards, and recommendations of state or local public health authority. Approval of such system as installed shall be obtained from such authority and the Association.

Section 9.18. No individual sewerage disposal system shall be permitted on any Lot unless such system is located, and constructed in accordance with the requirements, standards, and recommendations of state or local public health authority. Approval of such proposed system shall be obtained from such authority prior and subsequent to installation.

Section 9.19. No fence on any Lot shall extend through the front building line. All fences must be either of wood, masonry, ornamental iron or vinyl rail fencing. Chain link style fences are prohibited. All fences shall be maintained in an attractive manner. The maximum height of any fence on any Lot within the Subdivision shall be eight (8') feet.

Section 9.20. No radio or television or other type of antenna or support structure

shall rise more than three (3) feet above the highest point of the roof of any building on each Lot without prior written approval of the ARC. No satellite dish with a diameter greater than three (3) feet shall be permitted on any lot.

Section 9.21. No garage, servant house, garage house, or out-building shall be occupied by the Owner, Tenant, any Member or any other person prior to the erection and completion of a Dwelling Unit.

Section 9.22. No machinery, fixtures or equipment of any type, shall be placed, allowed or maintained upon the ground on any Lot, except with the prior written approval of Declarant or the ARC, provided however, that heating, air conditioning or refrigeration equipment and pool filtration and heating equipment may be placed on the ground on the back of the residence not in public view if enclosed with a fence or wall sufficiently high to conceal such machinery, fixtures or equipment and constructed of materials of quality and design compatible with the Residence on such Lot. Air conditioning window units shall not be permitted.

Section 9.23. All mailboxes shall be affixed to a substantial brick stand permanently placed in the ground, and all mailboxes and supporting stands shall be of a design approved in writing by the ARC.

Section 9.24. No out buildings of any nature shall be permitted unless the building is a permanent structure of the same material, craftsmanship and general appearance of the primary structure. This section specifically precludes any prefabricated buildings.

Section 9.25. All residents shall maintain a well-groomed yard and, in any event, shall not permit grass or weeds to grow higher than eight (8) inches at any place on the lot. In the event that the grass or weeds on any lot exceed eight (8) inches in height, the Declarant and Association are granted an easement and access to trim such grass or weeds and the owner of the lot shall be liable for the reasonable costs of any such work.

Section 9.26. No butane tanks, propane tanks, fuel oil tanks or any tanks containing natural gas, oil or flammable liquid shall be placed on any lot.

Section 9.27. All lots shall be kept in an orderly fashion and no outside storage of machinery, lawn equipment, junk, appliances, furniture (excluding furniture designed and intended by the manufacturer to be used as lawn furniture), tools, or other equipment will be permitted.

Section 9.28. No vehicles shall be parked on any unpaved surface of any lot. No vehicles that have had their registration or inspection stickers expire shall be parked anywhere on any lot for more than seven (7) days. No vehicles shall be parked on the streets overnight for more than two (2) consecutive nights and not as a repeating practice or habit.

Section 9.29. No firearms may be discharged within the subdivision.

Section 9.30. No Homeowner shall have the right to alter the state of any Lake or body of water within the Subdivision without approval of the ARC; provided the restrictions in this provision do not apply to privately owned bodies of water wholly within the boundaries of a Lot. This shall include but not be limited to building piers, building fences, materially altering the chemical make up of the lake, materially altering the aquatic wildlife make up of the lake, or materially altering the water level of the lake. Regarding such ponds, lakes and other bodies of water within the Subdivision, the following restrictions shall apply:

- 1) No swimming or wading is allowed;
- 2) If/When stocked, fishing will be permitted only by single poles and no fishing devices such as trot lines and rubber band lines are allowed. Only homeowners and their guests may fish in the Ponds. Bag limits shall be subject to the regulations of the State of Texas.
- 3) No boathouses may be erected;
- 4) No docks may be erected;
- 5) No water may be pumped or otherwise removed from the Ponds; and
- 6) No boats shall be permitted.

Section 9.31. Tennis courts and swimming pools located in the rear or side yard may be permitted with the prior written approval of Declarant or the ARC. Any pool constructed on any Lot shall comply with all local, state and federal safety precautions, including design, construction and fencing and shall be the sole responsibility of the owner or builder thereof. Tennis court lighting is prohibited after 10:00 P.M.

Section 9.32. No Lot shall be used for, or contain a site for the use of, landing and/or departure of helicopters and similar craft.

Section 9.33. Except as to special street lighting or other aerial facilities which may be required by the City of Heath or may be required by the franchise of any utility company, no aerial utility facilities of any type (except meters, risers, service pedestals and other surface installation necessary to maintain or operate appropriate underground facilities) shall be erected or installed in the Subdivision, whether upon individual Lots easements, streets or rights-of-ways of any type whether by a utility company or any other person, including, without limitation, any person owning or acquiring any part of the Subdivision. All utility service facilities, including, but not limited to, water, sewer, gas, cable television, electricity and telephone shall be buried underground within the Subdivision, under alleys, streets or utility easements and from such alleys, streets and utility easements to any structure located on any part of the Subdivision. The only exception shall be those overhead utility poles that existed prior to the date of the recorded plat of the Subdivision.

Section 9.34. The renting or leasing of any improvements on any Lot or portion thereof, without the prior written consent of Declarant or the ARC, is prohibited. All leases,

if approved in writing, shall be subject to the provisions of these Covenants.

Section 9.35. All easements, rights-of-way and similar burdens authorized herein and/or shown on the recorded plat of the Subdivision for the purpose of installation or maintenance of utilities and rights-of-way and all such easements, rights-of-way and similar burdens granted or imposed for any such purpose shall be strictly observed by each Lot Owner or purchaser of any portion of the Subdivision, and shall not be in any manner obstructed so as to defeat or hinder in any manner the use of such easements, rights-of-ways, or similar burdens.

Section 9.36. With reasonable diligence, and in all events within twelve (12) months from the commencement of construction, unless completion is prevented or delayed by war, labor strike, or an act of God, any Residence or other structure commenced upon a Lot shall be completed as to its exterior and all temporary structures relating to such construction shall be removed.

Section 9.37. All Lots shall be required to have a four (4) foot wide sidewalk adjacent to all streets. All walkways and driveways shall be of good quality concrete as approved in writing by Declarant or the ARC.

Section 9.38. As a part of the construction of any improvements on a Lot and prior to completion thereof, the Owner shall submit a written Landscape Plan for consideration and approval by the ARC. Consideration and approval of such Landscape Plan shall be controlled by the provisions of these Covenants requiring Architectural review. The Builder of any home must plant a minimum of three (3) trees with a minimum diameter of 4 inches in the front yard prior to occupancy. Whenever the diameter of a tree is referenced herein, such diameter shall be measured one foot above ground level. Trees must be Live Oaks, Red Oaks, or Cedar Elms or other trees approved in writing by the Declarant prior to planting. Trees must be planted prior to occupancy. The front yard must also have sod and appropriate shrubs prior to occupancy. All yards shall have an automatic landscape irrigation system installed in all yard areas visible from the Street at the time the Residence is constructed. Corner Lots must also have sod along the side yard and a minimum of three (3) trees with a minimum diameter of 4 inches in the side yard with an automatic landscape irrigation system installed at the time the Residence is constructed unless approved design is prohibitive. The respective Lot Owner must maintain the sidewalk, landscape, sprinkler system and trees. Existing trees that are in good and viable condition upon submission of the landscape plan for ARC approval may be counted against the tree planting requirements provided for in this provision.

Section 9.39. Any Owner of one or more adjoining Lots, or portions thereof, may consolidate such Lots or portions into one building site, with the privilege of placing or constructing improvements on such resulting building site, in which case side setback lines shall be measured from the resulting side building Site lines rather than from the side Lot lines as indicated on the recorded plat. Any such composite building site or portion of a Lot to be used as a building site must have a frontage at the building setback line of not less

than the frontage of the narrowest Lot in the same block. Any modification of a building site (changing such building site from either a single Lot building site or from a multiple whole Lot building site), whether as to size or configuration, may be made only with the prior written approval of Declarant or the ARC. Upon any such required approval having been obtained, such composite building site shall thereupon be regarded as a "Lot" for all purposes hereunder; provided that nothing herein shall limit or reduce the assessment due from such Owner or such Owner's voting rights for each originally configured Lot prior to such consolidation.

Section 9.40. No structure shall be permitted to fall into disrepair and any such structure shall at all times be kept in good condition and repair, adequately painted or otherwise finished.

Section 9.41. All trash and garbage areas must be enclosed with a fence or wall, behind the front of the residence, sufficiently high to conceal garbage and garbage cans and constructed of materials of quality and design compatible with the Residence on each such Lot. In no case shall garbage cans or other garbage containers of any sort be left unattended on any public street or adjacent to any public street in the Subdivision, except on the designated day of trash pick-up. The location and allowable set-out times of garbage and garbage cans for pickup shall be subject to the approval of Declarant or the ARC. Trash and garbage shall be placed in sealed containers, and shall meet the specifications of the applicable garbage service and the City of Heath, Texas, if any. All trash, garbage and rubbish shall be regularly removed from each Lot and shall not be allowed to accumulate thereon. No Lot Owner or occupant shall burn any trash, garbage and rubbish.

Section 9.42. Under no condition shall automobiles, boats or other vehicles or movable structures or items of any kind be allowed to be placed in the yards, or along the street and offered for sale.

Section 9.43. No automobile, truck or other vehicle, regardless of ownership, age, condition or appearance shall remain on any Lot in any manner which could be construed as being stored, neglected, abandoned or otherwise not in frequent use.

Section 9.44. Except with respect to signs and advertisements placed and maintained by Declarant prior to the conveyance by it of all of the Lots, no exterior signs or advertisements of any type may be placed, allowed or maintained on any Lot without prior written approval of Declarant or the ARC, except for (i) during the applicable initial construction and sales period no more than one (1) professional sign not to exceed 18" x 24" in size each per Lot may be utilized for advertising and sales purposes; (ii) thereafter, a dignified "for sale" sign (of not more than six (6) square feet in size) may be utilized by Owner of the respective Lot for the applicable sales situation; and (iii) mailboxes and residential nameplates may be placed and maintained in conformity with such specifications, including without limitation, reasonable restrictions as to size, as may be adopted from time to time by Declarant or the ARC; (iv) "garage sale" signs are not to

exceed 18" x 24" and may be displayed in the front yard of the garage sale location only. Signs placed in any other area of the Subdivision will be removed. The Subdivision may hold no more than two (2) community wide garage sales in one calendar year with pre-approved dates from the Declarant. Any and all other signs to be placed upon any Lot must first be submitted to and approved by Declarant or the ARC prior to being displayed on any Lot.

Section 9.45. Declarant and the ARC shall have the right to remove and dispose of any prohibited sign, advertisement, billboard or advertising structure which is placed on any Lot, and in doing so shall not be subject to any liability for trespass or other tort in connection therewith or arising from such removal nor in any way be liable for any accounting or other claim by reason of the disposition thereof.

Section 9.46. The digging of dirt or the removal of any dirt from a Lot is expressly prohibited except as necessary in conjunction with the landscaping of or construction on such Lot. No trees shall be cut or removed except to provide room for construction of improvements or to remove dead or unsightly trees, and no tree having a trunk four (4) inches or more in diameter at a distance of one (1) foot above the surface of the ground shall be removed without the prior written approval of Declarant or the ARC.

Section 9.47. No open fires or burning shall be permitted on any Lot at any time and no incinerators or like equipment shall be placed, allowed or maintained upon any Lot. The foregoing shall not be deemed to preclude the use, in customary fashion, of outdoor residential barbecues or grills.

Section 9.48. No repairs of any detached machinery, equipment or fixtures, including, without limitation, motor vehicles, shall be made upon any portion of any Lot within view of neighboring Lots, pathways and streets, without prior written approval of Declarant or the ARC.

Section 9.49. The drying of clothes in public view is prohibited, and the owners or occupants of any Lots at the intersection of streets or adjacent to parks, playgrounds or other facilities where the rear yard or portion of the Lot is visible to the public shall construct and maintain a drying yard or other suitable enclosure to screen drying clothes from public view.

Section 9.50. No Lot shall be maintained or utilized in such a manner as in the discretion of Declarant or the ARC to present an unsightly appearance, or as to unreasonably offend, constitute a nuisance or unreasonable annoyance to, or endanger the health of other Owners or residents of the Subdivision; and no noxious or otherwise offensive condition or activity shall be allowed to exist or be conducted thereon.

Section 9.51. No Lot shall be maintained or utilized in such manner as to violate any applicable statute, ordinance, or regulation of the United States of America, the State of Texas, the County of Rockwall, City of Heath, or any other governmental agency or

subdivision having jurisdiction in the premises.

Section 9.52. No lot shall be maintained or utilized in violation of these Restrictive Covenants.

Section 9.53. Go-carts, dirt bikes, mini bikes and motorized scooters are prohibited on the streets.

Section 9.54. During construction of improvements and prior to landscaping, reasonable erosion control measures shall be taken to prevent excessive erosion of Lots, causing silt to be deposited in the streets. Protection can be by retaining walls, beam, hay bales, silt fencing or other means suitable for each individual Lot. The Lot Owner is responsible for removing silt accumulations from the street.

ARTICLE X EASEMENTS

Section 10.1. Utility Easements. Non-exclusive easements for installation, maintenance, repair and removal of utilities and drainage facilities over, under and across an area not less than two feet (2') nor more than ten foot (10') wide along the perimeter of each Lot are reserved by Declarant for itself, the Association, and all utility companies and their respective successors and assigns, serving the Subdivision and no Improvement or Structure shall be constructed or placed thereon without the express prior written consent of the ARC. Full rights of ingress and egress shall be had by Declarant, the Association, and all utility companies serving the Subdivision, and their respective successors and assigns, at all times over the Subdivision for the installation, operation, maintenance, repair or removal of any utility together with the right to remove any obstruction (excluding, however, any driveway, fence or other Improvement or Structure which has been theretofore specifically approved by the ARC) that may be placed in such easement that would constitute interference with the use of such easement, or with the use, maintenance, operation or installation of such utility.

Section 10.2. Sign Easements. The Association shall have the right, privilege, duty and responsibility to reasonably maintain and care for any and all signs, monuments, landscaping and the like installed or placed on any "sign easement area" depicted within the Falcon Point Subdivision Plat(s).

Section 10.3. Ingress, Egress and Maintenance by the Association. Full rights of ingress and egress shall be had by the Association at all times over and upon the setback and sign easement areas applicable for each Lot for the carrying out by the Association of its functions, duties and obligations hereunder; provided, however, that any such entry by the Association upon any Lot shall be made with as little inconvenience to the Owner as practical, and any damage caused thereby shall be repaired by the Association at the expense of the Association's maintenance fund.

ARTICLE XI
RIGHT OF FIRST REFUSAL: REGISTRATION

Section 11.1. Right of First Refusal. THE PROVISIONS OF THIS SECTION ONLY APPLY TO UNIMPROVED LOTS AND DO NOT APPLY WHATSOEVER TO ANY LOT ON WHICH THERE IS A COMPLETED RESIDENTIAL DWELLING OR AN INSTITUTIONAL MORTGAGE BY AN ELIGIBLE MORTGAGEE OR ELIGIBLE INSURER. In order that the Declarant and the ARC may more effectively and carefully guide, control, coordinate and monitor the construction of residential dwellings within the Subdivision, prior to the commencement and completion (as determined by the ARC), of a residential dwelling and its appurtenant landscaping on a Lot, no Lot Owner (excluding the Declarant) may sell, transfer, lease, rent, devise, give, assign or in any other manner dispose of a fee or undivided fee interest in such Lot without first offering such fee interest to the Declarant, or otherwise obtaining the express written approval of the Declarant, in the manner hereinafter provided:

(a) Any Lot Owner intending or proposing to sell, transfer, lease, rent, devise, give, assign or in any other manner dispose of a fee or undivided fee interest in a Lot (any and all such manners of disposition being referred to or considered hereinafter for convenience as "sale" or "sell") shall give written notice to the Declarant of such intention or proposal together with the terms and conditions of the sale and the name and address of the intended or proposed purchaser and such other information as the Declarant may reasonably require in connection with such transaction. The issuance of such notice to the Declarant shall constitute a warranty and representation by such Lot Owner that the proposal and purchaser are bona fide in all respects;

(b) Declarant shall, upon receipt of the notice described above, have the exclusive right and option, exercisable at any time during a period of fifteen (15) days from the receipt of said notice, to purchase or acquire the subject Lot at the same price, terms and conditions under which Lot Owner purchased said Lot from Declarant; and

(c) If Declarant does not elect to exercise its first refusal option right hereunder, the Lot Owner shall be so notified in writing and shall be free to proceed with the sale of the Lot upon the terms and conditions, and with the same purchaser, as set forth in the notice theretofore given to the Declarant. However, the contractual arrangements with the third-party purchaser must be made strictly upon the terms and conditions and with the person or entity described in the notice theretofore given to Declarant, and any proposed arrangement with a different person or entity or upon changed terms and conditions shall be subject to the same first refusal option right and the same notice requirements set forth above.

FROM AND AFTER THE DATE OF COMPLETION (AS DETERMINED BY THE ARC) OF A RESIDENTIAL DWELLING AND ITS APPURTENANT LANDSCAPING ON EACH LOT, SUCH LOT, AND THE OWNER THEREOF, SHALL NO LONGER BE AFFECTED BY THE FOREGOING FIRST REFUSAL RIGHT. ANY PERSON OR ENTITY HAVING A BONA FIDE INTEREST IN ANY LOT IS ENCOURAGED TO SEEK AND OBTAIN A CERTIFICATE FROM THE ARC VERIFYING THE STATUS OF COMPLETION OF A DWELLING ON A SUBJECT LOT OR ALTERNATIVELY, A CERTIFICATE FROM THE DECLARANT AND/OR ASSOCIATION CONCERNING THE FIRST REFUSAL RIGHT PROVIDED FOR HEREIN. A REASONABLE CHARGE FOR EXECUTING AND DELIVERING ANY CERTIFICATES MAY BE CHARGED AND COLLECTED BY THE ARC AND/OR THE ASSOCIATION.

Section 11.2. Registration with the Association. In order that the Declarant and the Association can properly acquaint every Lot purchaser and every Owner, Resident and Member with these Covenants and the day-to-day matters within the Association's jurisdiction, no acquisition of any Lot within the Subdivision shall become effective until and unless:

- (a) the then-existing "Closing Information Package" and homeowner handbooks, if any, have been properly executed by the Association and the Purchaser/Transferee; and
- (b) all directives by, and all obligations to, the Association and the Declarant have been properly and timely satisfied.

Each and every Owner, Member and Resident shall have an affirmative duty and obligation to originally provide, and thereafter revise and update, within fifteen (15) days after a material change has occurred, various items of information to the Association such as: (a) the full name and address of each Owner, Member and Resident; (b) the full name of each individual family member who resides within the residential dwelling of the Lot Owner; (c) the business address, occupation and telephone numbers of each Resident; (d) the description and license plate number of each automobile owned or used by a Resident and brought within the Properties; (e) the name, address and telephone numbers of other local individuals who can be contacted (in the event the Resident cannot be located) in case of an emergency; and (f) such other information as may be reasonably requested from time to time by the Association. In the event any Owner, Member or Resident fails, neglects or refuses to so provide, revise and update such information, then the Association may, but is not required to, use whatever means it deems reasonable and appropriate to obtain such information and the offending Owner, Member and Resident shall become automatically jointly and severally liable to promptly reimburse the Association for all reasonable costs and expenses incurred in so doing.

Section 11.3. Special Assessment on Transfer. In connection with each and every transfer(s), including, without limitation, voluntary and involuntary transfers, assignments, deeds, leases for more than five (5) years, gifts, testamentary bequests, intestate transfers, muniment of title, or other instrument or by operation of law which causes or effects a

transfer of a significant estate or fee simple title, but excluding the exceptions discussed below of record ownership title to any Lot, the Board shall have the right to collect a special transfer assessment in an amount equal to one (1) month of the then-existing regular assessment applicable to such Lot, which sum shall be earmarked by the Board for deposit(s) to one or more of the then-existing Associate reserve funds. Such sum shall be non-refundable and shall not be regarded as a prepayment of or credit against any portion of the regular Annual Assessment.

Notwithstanding the foregoing, the following transfers are excepted and excluded from applicability and coverage of the special transfer assessment:

- (a) transfer from the Declarant to any Homebuilder;
- (b) foreclosure by any Eligible Mortgagee and/or Eligible Insurer;
- (c) transfer to, from or by the Association;
- (d) transfers by any Owner to his/her spouse or any other member of such Owner's immediate family;
- (e) transfers between or among existing Owners (regardless whether such Owners are spousal, family or otherwise) of the same Lot;
- (f) any transfer in which the assessment envisioned by **Section 12.14** is being collected;
- (g) transfer by Declarant of all or a substantial portion of Lots remaining in the Subdivision to a single purchaser in a single transaction.

The Board of Directors is authorized from time to time and at any time to develop and implement such procedures, forms and collection mechanisms as it deems reasonable and appropriate to administer and collect this transfer assessment.

ARTICLE XII

GENERAL PROVISIONS

Section 12.1. Power of Attorney. Each and every Owner, Member and Resident hereby makes, constitutes and appoints Declarant as his/her true and lawful attorney-in-fact, coupled with an interest and irrevocable, for him/her and in his/her name, place and stead and for his/her use and benefit, to do the following:

- (a) to exercise, do or perform any act, right, power, duty or obligation whatsoever in connection with, arising out of, or relating to any matter whatsoever involving this Declaration and the Properties;

(b) to sign, execute, acknowledge, deliver and record any and all instruments which modify, amend, change, enlarge, contract or abandon the terms within this Declaration, or any part hereof, with such clause(s), recital(s), covenant(s), agreement(s) and restriction(s) as Declarant shall deem necessary, proper and expedient under the circumstances and conditions as may be then existing; and

(c) to sign, execute, acknowledge, deliver and record any and all instruments which modify, amend, change, enlarge, contract or abandon the subdivision plat(s) of the Properties, or any part thereof, with any easements and rights-of-way to be therein contained as the Declarant shall deem necessary, proper and expedient under the conditions as may then be existing.

The rights, powers and authority of said attorney-in-fact to exercise any and all of the rights and powers herein granted shall commence and be in full force upon recondition of this Declaration in the Rockwall County Clerk's Office and shall remain in full force and effect thereafter until conclusion of the Development Period.

Section 12.2. Further Development. During the Development Period, each and every Owner, Resident and Member waives, relinquishes and shall not directly or indirectly exercise any and all rights, powers or abilities, and the Association shall not devote or expend any monies or personnel, regarding the following: to contest, object, challenge, dispute, obstruct, hinder or in any manner disagree with the proposed or actual development (including, without limitation, zoning or rezoning efforts or processes) pertaining to residential uses of any real property owned by the Declarant or by the affiliates, assignees or successors of the Declarant within a two mile radius of the Subdivision.

Section 12.3. Duration. The Covenants of this Declaration shall run with and bind the land subject to this Declaration, and shall inure to the benefit of and be enforceable by the Association and/or the Owner and Resident of any land subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for an original fifty (50) year term expiring on the fiftieth (50th) anniversary of the date of recordation of this Declaration, after which time these Covenants shall be automatically extended for the successive periods of (10) years unless an instrument is signed by the Owners of at least fifty-one percent (51%) of all Lots within this Subdivision and recorded in the Real Estate Records of Rockwall County, Texas, which contains and sets forth an agreement to abolish these Covenants; provided, however, no such agreement where approved by less than seventy-five percent (75%) of the Owners of all Lots within this Subdivision and all of the Subdivisions to abolish shall be effective unless made and recorded one (1) year in advance of the effective date of such abolishment.

Section 12.4. Amendments. The Covenants set forth herein are expressly subject to change, modification and/or deletion by means of amendment at any time and from time to time as provided herein. Notwithstanding Section 12.3, these Covenants may be amended and/or changed in part as follows:

(a) During the Development Period, and in response to any governmental or quasi-governmental suggestion, guideline, checklist, requisite or requirement, particularly with respect to those entities or agencies directly or indirectly involved in, or having an impact on, mortgage financing, mortgage insurance and/or reinsurance, the Declarant shall have the complete and unfettered right and privilege to amend, change, revise, modify or delete portions of these Covenants, and each and every Owner, Member and Resident specifically and affirmatively authorizes and empowers the Declarant, utilizing the attorney-in-fact status set forth in Section 12.1 above, to undertake, complete and consummate any and all such amendments, changes, revisions, modifications or deletions as Declarant (in its sole and absolute discretion) shall deem reasonable and appropriate;

(b) During the Development Period the Declarant may otherwise amend or change these Covenants by exercising its powers under Section 12.1 hereinabove or with the approval of at least fifty-one percent (51%) of the votes of the Class A and Class B Members.

(c) From and after conclusion of the Development Period, these Covenants may be amended or changed upon the express written consent of the Board and at least fifty-one percent (51%) of the Owners of Lots within the Subdivision.

(d) Notwithstanding anything contained herein to the contrary, at any time during or after the conclusion of the Development Period these Covenants may be repealed or amended by the Declarant or its successors and assigns, without the approval or joinder of any other party, so long as Declarant owns record fee simple title to property within the Subdivision.

Any and all amendments shall be recorded in the Office of the County Clerk of Rockwall County, Texas.

Section 12.5. Enforcement. Each Owner of each Lot shall be deemed, and held responsible and liable for the acts, conduct and omission of each and every Resident, Member, guest and invitee affiliated with such Lot, and such liability and responsibility of each Owner shall be joint and several with their Resident(s), Member(s), guests and invitees. The Payment and Performance Lien shall extend to, cover and secure the proper payment and performance with each Owner. Each Owner may, upon appropriate application to and approval by the Association, impose greater or additional restraints and restrictions on the "good standing" qualifications of the Residents and Members of such Owner's Lot. Unless otherwise prohibited or modified by law, all parents shall be liable for any and all personal injuries and property damage proximately caused by the conduct of

their children (under the age of 18 years) within the Properties. Enforcement of these Covenants may be initiated by any proceeding at law or in equity against any person or persons violating or attempting to violate them, whether the relief sought is an injunction or recovery of damages, or both, or enforcement of any lien created by these Covenants; but failure by the Association or any Owner to enforce any Covenant herein contained shall in no event be deemed a waiver of the right to do so thereafter. Any governmental entity having jurisdiction over the Subdivision is specifically authorized (but not obligated) to enforce these Covenants.

With respect to any litigation hereunder, the prevailing party shall be entitled to recover all costs and expenses, including reasonable attorneys' fees, from the non-prevailing party.

Section 12.6. Validity. Violation of or failure to comply with these Covenants shall not affect the validity of any mortgage, bona fide lien or other similar security instrument which may then be existing on any Lot. Invalidation of any one or more of these Covenants, or any portions thereof, by a judgment or court order shall not affect any of the other provisions or covenants herein contained, which shall remain in full force and effect. In the event any portion of these Covenants conflicts with mandatory provisions of any ordinance or regulation promulgated by any governmental entity having jurisdiction over the Subdivision (including, without limitation, the Zoning Ordinance), then such municipal requirement shall control.

Section 12.7. Proposals of Declarant. The proposals of the Declarant, as set forth in various provisions hereinabove, are mere proposals and expressions of the existing good faith intentions and plans of the Declarant and shall not be deemed or construed as promises, solicitations, inducements, contractual commitments or material representations by the Declarant upon which any person or entity can or should rely. Nothing contained in or inferable from this Declaration shall ever be deemed to impose under any other land owned or to be owned by the Declarant, or any related entity, any covenants, restrictions, easements or liens or to create any servitudes, negative reciprocal easements or other interests in any such land in favor of any person or entity other than the Declarant. Declarant makes no representations of any kind or character concerning the development of land parcels adjoining the Properties. Each prospective Owner should make his/her own investigation concerning those parcels and what impact, if any, same may have on the ownership, use and enjoyment of the Properties.

Section 12.8. Service Mark. Declarant is the exclusive owner and proprietor of a service mark for the Falcon Point Subdivision and Falcon Point (each referred to as a "Service Mark"). Unless and until a written license agreement has been sought and obtained from Declarant (and in this connection Declarant may withhold consent in its sole and absolute discretion), no person or entity may at any time and/or for any reason whatsoever use, depict, draw, demonstrate, reproduce, infringe, copy or resemble, directly or indirectly, any Service Mark.

Section 12.9. Headings. The headings contained in this Declaration are for reference purposes only and shall not in any way affect the meaning or interpretation of this Declaration. Words of any gender used herein shall be held and construed to include any other gender, and words in the singular shall be held to include the plural and vice versa, unless the context requires otherwise. Examples, illustrations, scenarios and hypothetical situations mentioned herein shall not constitute an exclusive, exhaustive or limiting list of what can or cannot be done.

Section 12.10. Notices to Resident/Member/Owner. Any notice required to be given to any Resident, Member or Owner under the provisions of this Declaration shall be deemed to have been properly delivered when: (i) deposited in the United States Mail, postage prepaid, addressed to the last known address of the person who appears as the Resident, Member or Owner on the records of the Association at the time of such mailing; or when (ii) delivered by hand or by messenger to the last known address of such person within the Properties; or when (iii) posted on the Association's bulletin board for at least thirty (30) consecutive calendar days.

Section 12.11. Notices to Mortgagees. The holder(s) of a mortgage may be furnished with written notification from the Association of any default by the respective mortgagor/Member/Owner in the performance of such mortgagor's/Member's/Owner's obligation(s) as established by this Declaration, provided that the Association has been theretofore furnished, in writing, with the correct name and address of such mortgage holder(s) and a request to receive such notification and an reasonable supply of self-addressed, stamped envelopes.

Section 12.12. Disputes. Matters of dispute or disagreement between Owners, Residents or Members with respect to interpretation or application of the provisions (excluding **Article VIII** architectural matters and issues concerning "substantial completion") of this Declaration or the Association Bylaws, shall be determined by the Board of Directors. Matters pertaining to **Article VIII** architectural matters and issues concerning "substantial completion") shall be determined by the Architectural Review Committee. The respective determinations (absent arbitrary and capricious conduct or gross negligence) shall be final and binding upon all Owners, Residents and Members.

Section 12.13. Inspection of Books. The Association shall have current copies of the Declaration, Articles of Incorporation, Bylaws, rules and regulations, books, records and financial statements available for inspection by Dwelling Unit Owners and by Eligible Mortgagees and Eligible Insurers during normal business hours or under other reasonable circumstances.

Section 12.14. Working Capital Fund. To satisfy requirements of Eligible Mortgagees and Eligible Insurers and better insure that the Association will have the funds to meet unforeseen expenditures or to purchase additional equipment or services, Declarant and the Association shall establish a working capital fund equal to at least

\$3,000.00. The Association may borrow these funds from Declarant or any other source and such sum shall be treated as debt until repaid.

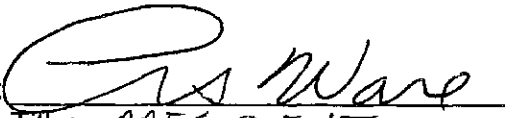
Section 12.15. Limitation of Liability. In the event of any dispute between Owner, Member or Resident, on the one hand, and Declarant on the other hand, arising from a condition of the Properties, the legal status of the Properties, the sale of the Properties, or this Declaration, then Owner, Member, or Resident's sole remedy shall be for monetary damages in an amount not to exceed ten percent (10%) of the claimant's purchase price of the Property from Declarant, and in no event shall Owner, Member or Resident be entitled to injunctive or other equitable relief against Declarant.

Section 12.16. Rule Against Perpetuities. If any interest purported to be created by these Restrictive Covenants is challenged under the Rule Against Perpetuities or any related rule, the interest shall be construed as becoming void and of no effect as of the end of the applicable period of perpetuities computed from the date when the period of perpetuities starts to run on the challenged interest; the "lives in being" for computing the period of perpetuities shall be those which would be used in determining the validity of the challenged interest.

Witness the hand of an authorized representative of the Declarant on the acknowledgment date noted below.

DECLARANT

DAEDELUS CORPORATION

By: 
Title: PRESIDENT
Printed Name: LESLIE WARE

Address:

1701 N. Market Street, Suite 330
Dallas, TX 75202-2013

THE STATE OF TEXAS

§

COUNTY OF Rockwall

§

§

0
4
2
0
9

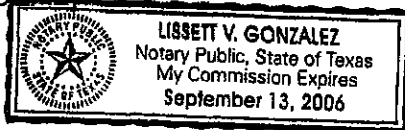
BEFORE ME, the undersigned authority, on this day personally appeared Leslie D. Ware, the President of the Daedeluos Corporation, the owner of Falcon Point Subdivision, and executed the foregoing instrument.

0
0
1
6
2

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 16 day of

September, 2005.

[SEAL]



Lissett V. Gonzalez
Notary Public in and for
The State of Texas

My Commission Expires:

00337526

O
R

0
4
2
0
9

0
0
1
6
3

Filed for Record in:
Rockwall County

On: Sep 16, 2005 at 01:23P

As a
Recordings

Document Number: 00337526

Amount 116.00

Receipt Number - 145168

By,
Twyla S

STATE OF TEXAS COUNTY OF ROCKWALL

I hereby certify that this instrument was
filed on the date and time stamped hereon by me
and was duly recorded in the volume and page
of the named records of:
Rockwall County
as stamped hereon by me.

Sep 16, 2005

Honorable Paulette Burks, County Clerk
Rockwall County

This Document has been received by this Office for
Recording into the Official Public Records. We do
hereby swear that we do not discriminate due to
Race, Creed, Color, Sex or National Origin.

Exhibit "A"

Tract 1:

Lots 1-6 , Block A; Lots 1-7 Block B, FALCON POINT PHASE I, a subdivision in Rockwall County, Texas, according to the map or plat thereof recorded in Cabinet F, Slide 299, Plat Records of Rockwall County, Texas.

Tract 2:

Lots 1-4, Block A; Lots 1-14, Block B; Lots 1-25, Block C and Lots 1-43, Block D, FALCON POINT PHASE II, a subdivision in Rockwall County, Texas, according to the map or plat thereof recorded in Cabinet F, Slide 301, Plat Records of Rockwall County, Texas.

Inst # 00450979

Filed for Record in: Rockwall County
On: Jun 02, 2011 at 09:38A

00340966

FIRST AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS, EASEMENTS, CHARGES AND LIENS
APPLICABLE TO FALCON POINT
ROCKWALL COUNTY, TEXAS

WHEREAS, Daedelus Corporation is the Declarant of covenants, conditions, restrictions, easements, charges and liens recorded in volume 4209, beginning at page 112 of the deed records in Rockwall County, Texas (the "Original Declaration"), and is the owner and developer of certain residential Lots subject thereto within a 328.3325 acre tract of land now commonly known and described as Falcon Point Subdivision (which legal description and lots therein are more particularly described within Exhibit "A" attached to the Original Declaration).

WHEREAS, this instrument shall constitute an amendment to the Original Declaration pursuant to the authority granted the Declarant in Article XII thereof. The terms as used herein shall have the meanings provided for in the Original Declaration except as specifically provided herein to the contrary.

NOW, THEREFORE, Declarant does hereby declare the following amendments to the Original Declaration to be binding upon the Subdivision, the Lots and the Owners thereof and to constitute covenants running with the land:

Section 9.19 is deleted and the following language substituted therefore so that the new Section 9.19 shall read in its entirety as follows:

"Section 9.19. No fence on any Lot shall extend through the front building line. All fences must be either of masonry, ornamental iron or vinyl rail fencing. Chain link style fences are prohibited. Wood fences are not allowed without the express prior written consent of the Declarant or ARC. All fences shall be maintained in an attractive manner. The maximum height of any fence on any Lot within the Subdivision shall be eight (8') feet."

Witness the hand of an authorized representative of the Declarant on the acknowledgment date noted below.

DECLARANT

DAEDELUS CORPORATION

By: 
Leslie D. Ware, President

Address:
1701 N. Market Street, Suite 330
Dallas, TX 75202-2013

0
4
2
8
2

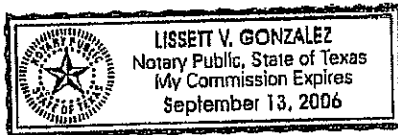
THE STATE OF TEXAS }
COUNTY OF ROCKWALL }

BEFORE ME, the undersigned authority, on this day personally appeared Leslie D. Ware, the President of the Daedelus Corporation, the owner of Falcon Point Subdivision, and executed the foregoing instrument.

0
0
2
2
1

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 31 day of October, 2005.

My Commission Expires:



Lissett V. Gonzalez
Notary Public in and for
The State of Texas

ACCEPTED, AGREED and DECLARED on the acknowledgment date noted below by:

NEXXUS HOMES, INC.

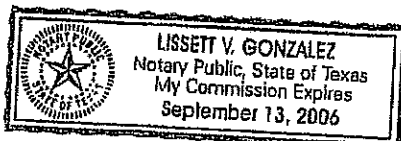
By: AK S-GH
Title: President
Printed Name: Anooshen Gilaru

THE STATE OF TEXAS }
COUNTY OF Rockwall }

BEFORE ME, the undersigned authority, on this day personally appeared Anooshen Gilaru, the President of Nexxus Homes, Inc., owner of Lots within the Subdivision, and executed the foregoing instrument.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 31 day of October, 2005.

My Commission Expires:



Lissett V. Gonzalez
Notary Public in and for
The State of Texas

00340966

O
R

0
4
3
0
2

0
0
3
4
0
9
6
6

Filed for Record in:
Rockwall County

On: Nov 07, 2005 at 11:40A

As a
Recordings

Document Number: 00340966

Amount 18.00

Receipt Number - 147980

By,
Vera

STATE OF TEXAS COUNTY OF ROCKWALL

I hereby certify that this instrument was
filed on the date and time stamped hereon by me
and was duly recorded in the volume and page
of the named records of:
Rockwall County
as stamped hereon by me.

Nov 07, 2005

Honorable Paulette Burks, County Clerk
Rockwall County

This Document has been received by this Office for
Recording into the Official Public Records. We do
hereby swear that we do not discriminate due to
Race, Creed, Color, Sex or National Origin.

Falcon Point
20
(2212)

00354513

**SECOND AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS, EASEMENTS, CHARGES AND LIENS
APPLICABLE TO FALCON POINT SUBDIVISION
ROCKWALL COUNTY, TEXAS**

0
4
5
7
0

0
0
1
9
5

WHEREAS, Daedelus Corporation is the Declarant of covenants, conditions, restrictions, easements, charges and liens recorded in volume 4209, beginning at page 112 of the deed records in Rockwall County, Texas, (the "Original Declaration"), and is the owner and developer of certain residential Lots subject thereto within a 328.3325 acre tract of land located, now commonly known and described as Falcon Point Subdivision (which legal description and lots therein are more particularly described within **Exhibit "A"** attached to the Original Declaration).

WHEREAS, this instrument shall constitute an amendment to the Original Declaration pursuant to the authority granted the Declarant in Article XII thereof and shall apply to the entirety of the Subdivision and Lots except those Lots expressly excepted herefrom. The terms as used herein shall have the meanings provided for in the Original Declaration except as specifically provided herein to the contrary.

NOW, THEREFORE, Declarant does hereby declare the following amendments to the Original Declaration to be binding upon the Subdivision, the Lots and the Owners thereof and to constitute covenants running with the land:

Section 9.2 and 9.3 are deleted and the following language substituted therefore so that the new Section 9.2 and 9.3 shall read in their entirety as follows:

"Section 9.2. On all Lots the ground floor area of the main Dwelling Unit, exclusive of porches, terraces, garages and out-buildings, shall contain no less than 3,750 square feet in the case of a one-story structure, and not less than 2,500 square feet in the case of a one and one-half or two-story structure; and the total floor area (ground floor plus second floor) of each and every Dwelling Unit shall be not less than 3,750 square feet."

"Section 9.3. The exterior construction of each Dwelling Unit shall be of 80% brick, stucco, stone or other materials provided such other materials are approved in writing by the ARC. Roofs shall be designed and constructed with a minimum 10/12 pitch (i.e. degree of slope and inclination) Roofs shall be of wood shingle, slate, clay, timberline, or concrete tile, or such other material as approved in writing by the ARC. The terms "brick" and "stone" as used in the covenants shall include the following construction materials: Face brick, Natural stone, and/or Manmade stone.

The terms "brick" and "stone" as used in the covenants shall NOT include the following: Concrete Masonry Units (CMU), Exterior Insulated Finishing Systems, (EIFS, including trade names such as "Dryvit", "Sto" and all similar products), and/or Plaster.

Any deviations from the above are to be submitted to the Declarant or the Architectural Review Committee for approval."


Initials

00354513

0457000196

This amendment shall not apply to the following Lots:

Phase I -

Lots 3 and 7, Block A; Lots 3,4,5,6, and 7, Block B of FALCON POINT PHASE I, an addition to Rockwall County, Texas according to the plat thereof recorded in Cabinet F, Slide 299, Plat Records, Rockwall County, Texas.

Phase 2 -

Lots 5 and 9, Block B; Lots 4,5,6,8,10,11,12,13,14,17,18,19,20,21,22,23,24, and 25, Block C; and Lots 1,5,6,7,9,10,11,12,13,15,16,19,20,21,22,23,26,27,28,29,30,32,33, 34,35,36,38 and 41, Block D of FALCON POINT PHASE II, an addition to the City of Heath, Rockwall County, Texas, according to the plat thereof recorded in Cabinet F, Slide 301, Plat Records, Rockwall County, Texas.

Witness the hand of an authorized representative of the Declarant on the acknowledgment date noted below.

DECLARANT

DAEDELUS CORPORATION

By Leslie D. Ware
Leslie D. Ware, President

Address:

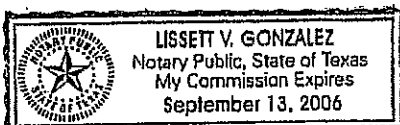
1701 N. Market Street, Suite 330
Dallas, TX 75202-2013

THE STATE OF TEXAS }
COUNTY OF ROCKWALL }

BEFORE ME, the undersigned authority, on this day personally appeared Leslie D. Ware, the President of the Daedelus Corporation, the owner of Falcon Point Subdivision, and executed the foregoing instrument.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 3 day of May, 2006.

My Commission Expires:



Lissett V. Gonzalez
Notary Public in and for
The State of Texas

After Recording Return to:

LandAmerica
Commonwealth Title
207 Laurence Rd.
Heath, Texas 75032

After Recording Return to:

LandAmerica
Commonwealth Title
207 Laurence Rd.
Heath, Texas 75032

LS
Initials

00354513

O
R

0
4
5
7
0

0
0
1
9
7

Filed for Record in:
Rockwall County

On: May 23, 2006 at 12:22P

As a
Recordings

Document Number: 00354513

Amount 20.00

Receipt Number - 158741

By,
Francine

STATE OF TEXAS COUNTY OF ROCKWALL

I hereby certify that this instrument was
filed on the date and time stamped hereon by me
and was duly recorded in the volume and page
of the named records of:

Rockwall County
as stamped hereon by me.

May 23, 2006

Honorable Paulette Burks, County Clerk
Rockwall County

This Document has been received by this Office for
Recording into the Official Public Records. We do
hereby swear that we do not discriminate due to
Race, Creed, Color, Sex or National Origin.



70 2009 00423680

Rockwall County Clerk
Rockwall, Texas 75087 (972) 204-6300

Instrument Number: 2009-00423680

Recorded On: October 09, 2009 As Recordings

Parties: FALCON POINT SUBDIVISION
To PUBLIC

Billable Pages: 4
Number of Pages: 4

Comment: AMEND RESTRICTIONS

(Parties listed above are for Clerks reference only)

**** Examined and Charged as Follows: ****

Recordings	24.00
Total Recording:	24.00

***** DO NOT REMOVE. THIS PAGE IS PART OF THE INSTRUMENT *****

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY
because of color or race is invalid and unenforceable under federal law.

File Information:

Document Number: 2009-00423680
Receipt Number: 227327
Recorded Date/Time: October 09, 2009 11:41:09A
Book-Vol/Pg: BK-OR VL-5934 PG-237
User / Station: F H - Cashier Station #4

Record and Return To:

MAGNOLIA ASSOCIATION MANAGEMENT
2807 ALLEN #332
DALLAS TX 75204



I hereby certify that this instrument was filed on the date and time stamped hereon and was duly recorded in the Volume and Page of the named records in Rockwall County, Texas

Any provision herein which restricts the sale, rental or use of the described Real Estate because of color or race is invalid and unenforceable under Federal law.

Lee Carlson
Lee Carlson
Chief Deputy, Rockwall County Clerk

**THIRD AMENDMENT TO THE DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS, EASEMENTS, CHARGES AND LIENS
APPLICABLE TO FALCON POINT SUBDIVISION
ROCKWALL COUNTRY, TEXAS**

WHEREAS, Daedelus Corporation is the Declarant of covenants, conditions, restrictions, easements, charges and liens recorded in volume 4209, beginning at 112 of the deed records in Rockwall County, Texas, (the "Original Declaration"), and is the owner and developer of certain residential Lots subject thereto within a 328.3325 acre tract of land located, now commonly known and described as Falcon Point Subdivision (which legal description and lots therein are more particularly described within **Exhibit "A"** attached to the Original Declaration).

WHEREAS, this instrument shall constitute an amendment to the Original Declaration pursuant to the authority granted the Declarant in Article XII thereof and shall apply to the entirety of the Subdivision and Lots except those Lots expressly excepted herefrom. The terms as used herein shall have the meanings provided for in the Original Declaration except as specifically provided herein to the contrary.

NOW, THEREFORE, Declarant does hereby declare the following amendments to the Original Declaration to be binding upon the Subdivision, the Lots and the Owners thereof and to constitute covenants running with the land.

Section 9.3 and 9.19 are deleted and the following language substituted therefore so that the new Section 9.3 and 9.19 shall read in their entirety as follows:

Section 9.3. The exterior construction of each dwelling unit shall be of 90% brick, stucco, stone or other materials provided such materials are approved in writing by the ARC. Roofs shall be designed and constructed with a minimum 10/12 pitch (i.e. degree of slope and inclination). Roofs shall be wood shingle, slate, clay, timberline, or concrete tile, or such other material as approved in writing by the ARC. The terms "brick" and "stone" as used in the covenants shall include the following construction materials: Face brick, Natural stone, and/or Manmade stone.

The terms "brick" and "stone" as used in the covenants shall NOT include the following: Concrete Masonry Units (CMU), Exterior Insulated Finishing Systems (EIFS, including trade names such as "Dryvit", "Sto", and all similar products), and/or Plaster.

The use of non brick or stone materials is also limited in that:

- 1) The *combined total square footage* of all forward facing walls (defined as all walls directly facing a street) of non-brick or stone material may not exceed more than 100 sq. feet, in totality. Accessories such as shutters are exempt.
- 2) Any *individual* side facing wall may not contain more than 100 sq. feet of non-brick or stone material (this does *not* prevent two walls facing the same side from totaling more than 100 sq. feet). Side walls which are adjacent to a road (such as a corner lot) are treated as forward facing walls, and hence are limited to the combined 100 square feet of non-brick or stone material.
- 3) Rear facing walls may contain any standard building material allowed by the covenants, so long as the total of all non-brick and stone materials for the house remains at less than 10%.

Section 9.19. No fence on any lot shall extend through the front building line. All fences must be of masonry or ornamental iron. Chain link style fences are prohibited. Wood fences are not allowed without the express prior written consent of the Declarant or ARC. All fences shall be maintained in an attractive manner. The maximum height of any fence on any lot within the Subdivision shall be eight (8') feet.

Any deviations from the above are to be submitted to the Declarant or the Architectural Review Committee for approval.

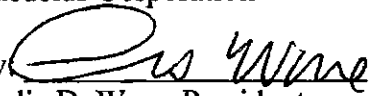
This amendment shall apply to all lots within Falcon Point with the exception that this restriction as an amendment is not designed to require modifications to existing structures, plans and/or permits that have been approved through the City of Heath or the Falcon Point ARC prior to the adoption of this amendment. The Declarant or the Architectural Review Committee has the authority to grant waivers consistent with said exception.

Witness the hand of an authorized representative of the Declarant on the acknowledgement date noted below.

This effective date of this amendment shall be effective July 10, 2009.

DECLARANT

Daedelus Corporation

By 
Leslie D. Ware, President

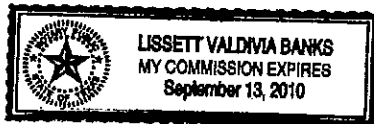
Address:
2101 Cedar Springs Road, Ste 1900
Dallas, Texas 75201

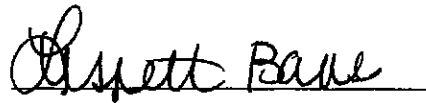
THE STATE OF TEXAS §
§
COUNTY OF ROCKWALL §

BEFORE ME, the undersigned authority, on this day personally appeared Leslie D. Ware, the President of Daedelus Corporation, the developer and Declarant of Falcon Point Subdivision, and executed the foregoing instrument.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 8 day of OCT, 2009.

My Commission Expires:





After Recording Return to:

Magnolia Association Management, LP
2807 Allen #332
Dallas, TX 75204

Magnolia Association Management, LP
2807 Allen #332
Dallas, TX 75204

Inst #: 00423680

Filed for Record in: Rockwall County
On: Oct 09, 2009 at 11:41A

Rockwall County
Shelli Miller
Rockwall County Clerk
Rockwall, Texas 75087 (972) 204-6300



70 2011 00452479

Instrument Number: 2011-00452479

As

Recordings

Recorded On: July 07, 2011

Parties: FALCON POINT OF HEATH HOMEOWNERS ASSOC INC
To PUBLIC

Billable Pages: 3
Number of Pages: 3

Comment: AMEND RESTRICTIONS

(Parties listed above are for Clerks reference only)

**** Examined and Charged as Follows: ****

Recordings	20.00
Total Recording:	20.00

***** DO NOT REMOVE. THIS PAGE IS PART OF THE INSTRUMENT *****

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY
because of color or race is invalid and unenforceable under federal law.

File Information:

Document Number: 2011-00452479

Receipt Number: 258862

Recorded Date/Time: July 07, 2011 02:47:11P

Book-Vol/Pg: BK-OR VL-6493 PG-299

User / Station: F H - Cashier Station 1

Record and Return To:

DAEDELUS CORP

2101 CEDAR SPRINGS RD

SUITE 1900

DALLAS TX 75201



I hereby certify that this instrument was filed on the date and time stamped hereon and was duly recorded in the Volume and
Page of the named records in Rockwall County, Texas

Any provision herein which restricts the sale, rental or use of the described Real Estate because of color or race is invalid and
unenforceable under Federal law.

Shelli Miller
Shelli Miller
Rockwall County Clerk

**THIRD AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS, EASEMENTS, CHARGES AND LIENS APPLICABLE TO
FALCON POINT SUBDIVISION
ROCKWALL COUNTY, TEXAS**

WHEREAS, Daedelus Corporation is the Declarant of covenants, conditions, restrictions, easements, charges and liens recorded in volume 4209, beginning at page 112 of the deed records in Rockwall County, Texas, (the "Original Declaration"), and is the owner and developer of certain residential Lots subject thereto within a 328.3325 acre tract of land located, now commonly known and described as Falcon Point Subdivision (which legal description and lots therein are more particularity described within **Exhibit "A"** attached to the Original Declaration).

WHEREAS, this instrument shall constitute an amendment to the Original Declaration pursuant to the authority granted the Declarant in Article XII thereof. The terms as used herein shall have the meanings provided for in the Original Declaration except as specifically provided herein to the contrary.

NOW, THEREFORE, Declarant does hereby declare the following amendments to the Original Declaration and any filed and recorded amendments thereto to be binding upon the Subdivision, the Lots and the Owners thereof and to constitute covenants running with the land.

The definition of "Association" in Article I shall be amended as follows:

"Association" shall mean and refer to Falcon Point of Heath Homeowners Association, Inc., a non-profit Texas corporation which has the power, duty and responsibility of maintaining and administering certain portions of the Properties and all of the Common Properties, and administering and enforcing the Covenants.

Witness the hand of an authorized representative of the Declarant on the acknowledgment date noted below.

DECLARANT

Daedelus Corporation

By: 
Leslie D. Ware, President

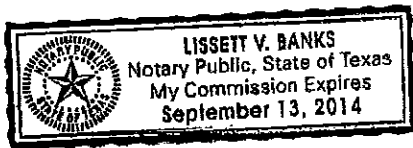
Address: 2101 Cedar Springs Road,
Ste 1900
Dallas, Texas 75201

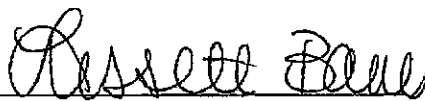
THE STATE OF TEXAS §
§
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared Leslie D. Ware, President of Daedelus Corporation, the owner of the Falcon Point Subdivision, and executed the foregoing instrument.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 6 day of July 2011.

My Commission Expires:




Notary Public in and for the State
of Texas

After recording to:
Daedelus Corporation
2101 Cedar Springs Road, Ste 1900
Dallas, Texas 75201

Inst #: 00452479

Filed for Record in: Rockwall County
On: Jul 07, 2011 at 02:47P



70 2011 00453210

Rockwall County
Shelli Miller
Rockwall County Clerk
Rockwall, Texas 75087 (972) 204-6300

Instrument Number: 2011-00453210

Recorded On: July 25, 2011

As
Recordings

Parties: FALCON POINT SUBDIVISION

To PUBLIC

Billable Pages: 3

Number of Pages: 3

Comment: RESTRICTIONS

(Parties listed above are for Clerks reference only)

**** Examined and Charged as Follows: ****

Recordings	20.00
Total Recording:	20.00

***** DO NOT REMOVE. THIS PAGE IS PART OF THE INSTRUMENT *****

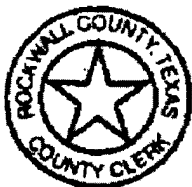
Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY
because of color or race is invalid and unenforceable under federal law.

File Information:

Document Number: 2011-00453210
Receipt Number: 259714
Recorded Date/Time: July 25, 2011 12:51:54P
Book-Vol/Pg: BK-OR VL-6507 PG-249
User / Station: F H - Cashier Station 1

Record and Return To:

DHI TITLE
400 CHISHOLM PALCE
STE 100
PLANO TX 75075



I hereby certify that this instrument was filed on the date and time stamped hereon and was duly recorded in the Volume and
Page of the named records in Rockwall County, Texas

Any provision herein which restricts the sale, rental or use of the described Real Estate because of color or race is invalid and
unenforceable under Federal law.

Shelli Miller
Rockwall County Clerk

3
20

**FIFTH AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS, EASEMENTS, CHARGES AND LIENS APPLICABLE TO
FALCON POINT SUBDIVISION
ROCKWALL COUNTY, TEXAS**

171-111701308-397

WHEREAS, Daedelus Corporation is the Declarant of covenants, conditions, restrictions, easements, charges and liens recorded in volume 4209, beginning at page 112 of the deed records in Rockwall County, Texas, (the "Original Declaration"), and is the owner and developer of certain residential Lots subject thereto within a 328.3325 acre tract of land located, now commonly known and described as Falcon Point Subdivision (which legal description and lots therein are more particularly described within **Exhibit "A"** attached to the Original Declaration).

WHEREAS, this instrument shall constitute an amendment to the Original Declaration pursuant to the authority granted the Declarant in Article XII thereof and shall apply to the entirety of the Subdivision and Lots except those Lots expressly excepted herefrom. The terms as used herein shall have the meanings provided for in the Original Declaration except as specifically provided herein to the contrary.

NOW, THEREFORE, Declarant does hereby declare the following amendments to the Original Declaration and any filed and recorded Amendments to be binding upon the Subdivision, the Lots and the Owners thereof and to constitute covenants running with the land.

Section 9.2 is deleted and the following language substituted therefore so that the new Section 9.2 shall read in their entirety as follows:

"Section 9.2. On all Lots the ground floor area of the main Dwelling Unit, exclusive of porches, terraces, garages and out-buildings, shall contain no less than 3,350 square feet in the case of a one-story structure, and not less than 2,500 square feet in the case of a one and one-half or two-story structure; and the total floor area (ground floor plus second floor) of each and every Dwelling Unit shall be not less than 3,350 square feet"

This amendment shall apply to the following lots:

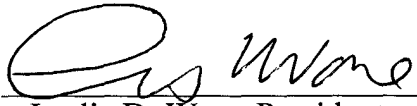
Lots 1, 2 and 6, Block A; Lot 1, Block B, FALCON POINT PHASE I, a subdivision of Rockwall County, Texas, according to the map or plat thereof recorded in Cabinet F, Slide 299, Plat Records of Rockwall County, Texas.

Lots 1 and 2, Block A; Lots 1, 2, 3, 6, 7, 8, 10, 11, 12 and 13, Block B; Lots 2, 9, 15, 22 and 23, Block C; and Lots 2, 3, 4, 18, 24, 25, 31, 42, 43, Block D, FALCON POINT PHASE II, a subdivision in Rockwall County, Texas, according to the map or plat thereof recorded in Cabinet F, Slide 301, amended in Cabinet G, Slide 5 and Cabinet G, Slide 7, Plat Records of Rockwall County, Texas.

Witness the hand of an authorized representative of the Declarant on the acknowledgment date noted below.

DECLARANT

Daedelus Corporation

By: 
Leslie D. Ware, President

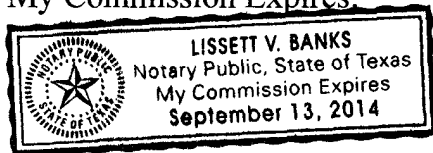
Address: 2101 Cedar Springs Road,
Ste 1900
Dallas, Texas 75201

THE STATE OF TEXAS §
§
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared Leslie D. Ware, President of Daedelus Corporation, the owner of the Falcon Point Subdivision, and executed the foregoing instrument.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 22 day of July 2011.

My Commission Expires:





Notary Public in and for the State
of Texas

Inst #: 00453210

Filed for Record in: Rockwall County
On: Jul 25, 2011 at 12:51P

After recording to:
Daedelus Corporation
2101 Cedar Springs Road, Ste 1900
Dallas, Texas 75201