

05088

CONSOLIDATED AND RESTATED DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS OF
FALLING WATER SUBDIVISION

THE STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS:

COUNTIES OF KENDALL AND KERR

WHEREAS, M, M and M, Ltd., a Texas Limited Partnership, ("Declarant"), has heretofore developed that certain subdivision known as FALLING WATER SUBDIVISION (hereinafter referred to as the Subdivision), according to the plat of said subdivision as recorded in Volume 2, Pages 308-311, the Plat Records of Kendall County, Texas, and as recorded in Volume 6, pages 300-306, the Plat Records of Kerr County, Texas, and which Subdivision has been partially resubdivided by replat of certain lots recorded at Volume 6, pages 393-396; Volume 7, pages 27-29; Volume 7, pages 34-37; Volume 7, pages 51-52; and Volume 7, pages 77-79 of the Plat Records of Kerr County, Texas; and, as such, created and carried out a uniform plan for the improvement, development, and sale of the subdivided lots situated within the subdivision, did adopt and establish the following easements, restrictions, covenants and conditions ("Protective Covenants") which are recorded at Volume 503, pages 871-899 of the Official Public Records of Kendall County, Texas, and are also recorded at Volume 883, pages 807, et. seq. of the Official Public Records of Kerr County, Texas, and which were subsequently amended as follows: the First Amendment of Declaration of Covenants, Conditions, and Restrictions of Falling Water Subdivision is recorded at Volume 887, pages 521-523, of the Official Public Records - Real Property of Kerr County, Texas, and at Volume 507, pages 107-109 of the Official Public Records - Real Property of Kendall County, Texas; and the Second Amendment of Declaration of Covenants, Conditions, and Restrictions of Falling Water Subdivision is recorded at Volume 534, pages 672, et. seq. of the Official Public Records - Real Property of Kendall County, Texas and at Volume 929, pages 557 et. seq. of the Official Public Records - Real Property of Kerr County, Texas; and the Third Amendment of Declaration of Covenants, Conditions, and Restrictions of Falling Water Subdivision is recorded at Volume 624, pages 716 et. seq. of the Official Public Records - Real Property of Kendall County, Texas and at Volume 1047, pages 360, et. seq. of the Official Public Records - Real Property of Kerr County, Texas; and the Fourth Amendment of Declaration of Covenants, Conditions, and Restrictions of Falling Water Subdivision is recorded at Volume 664, pages 840 et. seq. of the Official Public Records - Real Property of Kendall County, Texas and at Volume 1105, pages 511 et. seq. of the Official Public Records - Real Property of Kerr County, Texas; and the Fifth Amendment of Declaration of Covenants, Conditions, and Restrictions of Falling Water Subdivision is recorded at Volume 866, pages 619-626 of the Official Public Records - Real Property of Kendall County, Texas, and at Volume 1361, pages 594-602 of the Official Public Records - Real Property of Kerr County, Texas;

WHEREAS, the Kerr and Kendall Counties Falling Water Property Owners' Association,

Inc. desires to Consolidate and Restate the Covenants, Conditions and Restrictions of Falling Water Subdivision, as amended, to prevent confusion and to create efficiency in review of such Covenants, Conditions, and Restrictions;

NOW, THEREFORE, the following shall constitute the Consolidated and Restated Declaration of Covenants, Conditions, and Restrictions of Falling Water Subdivision to run with the land and to apply in the use, occupancy, and conveyance of the aforesaid described subdivided lots therein, and each Contract or Deed which may be executed with regard to any of such property is executed, delivered and accepted, subject to the following restrictions and covenants (the headings being employed for convenience only and not to be controlling over content):

ARTICLE I.

DEFINITIONS

Section 1. "Association" shall mean and refer to Kerr and Kendall Counties Falling Water Property Owners' Association, Inc. (a Texas non-profit corporation), its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to that certain real property hereinbefore described as the "Subdivision" and more particularly described as Falling Water Subdivision, according to the plat of said Subdivision as recorded in the Plat Records of Kerr and Kendall Counties, Texas, noted above, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean all real property (including the improvements thereto) leased, owned or maintained by the Association for the common use and enjoyment of the owners. By way of illustration, common Area may include, but not necessarily be limited to, the following: private streets, signs, street medians, entry gates, landscaping, lighting, entrance signs, walls, bridges, and other similar or appurtenant improvements.

Section 5. "Lot" shall mean and refer to any plot of land shown upon a recorded Subdivision map of the Properties with the exception of the Common Area.

Section 6. "Declarant" shall mean and refer to M, M and M Ltd., its successors and assigns, if such successors or assigns should acquire all of the undeveloped and unsold lots or acreage from the Declarant for the purpose of development.

Section 7. "Member" shall mean and refer to all those Owners who are members of the Association as provided for below.

Section 8. "Subdivision Plat" shall mean and refer to the map(s) or plat(s) of portions of the Properties in the Real Property Records of Kendall and Kerr Counties, Texas.

Section 9. "Improvement" or "Improvements" shall mean or refer to all structures or other improvements to any portion of the Property, whether above or below grade, including, but not limited to, buildings, recreation area, utility installations, storage, loading and parking facilities, walkways, driveways, landscaping, signs, site lighting, side grading, and any exterior additions including any changes or alterations thereto.

Section 10. "Dwelling" shall mean and refer to any building or portion of a building situated upon the Property 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.

Section 11. "Committee" shall mean the Architectural Control Committee as referred to in Article VI, Section 2 hereof.

ARTICLE II.

USE OF RESIDENTIAL PROPERTIES

(A) All lots in the Subdivision (excluding Common Area) shall be used for single-family residential purposes only. No owner shall occupy or use his lot or any improvements constructed thereon, or permit the same or any part thereof to be occupied or used for any purpose other than as a private residence for the owner, his family, guest and tenants, except as provided herein. No business may be operated out of a residence, whether profit or non-profit, except occupations which may be conducted from a home office and for which patrons or clients do not meet at the residence of owner.

(B) During the period of time when dwellings are initially being constructed on the properties, the builder may erect and maintain structures and/or place signs as are customary in connection with the construction and sale of such property and/or improvements, including, but not limited to, a business office, storage areas, construction yards, sales and/or advertising signs (applicable to the builder and the subdivision only), model units, and sales office. However, no such signs or structures shall be built erected, located or placed on the property without the prior written authorization of the Architectural Control Committee, which shall have full right and authority (as outlined as in the "ARCHITECTURAL CONTROL COMMITTEE" article of these restrictions) to control the architectural design, color, placement within the property, material and workmanship in order to see that the quality of the overall development is not jeopardized in any way. Failure to comply with the directives of the Committee concerning these matters is a breach of the covenants herein.

(C) No building material of any kind shall be placed or stored upon any lot until the owner thereof is ready to commence construction of improvements, and then the material shall be placed within the property lines of the lot upon which the improvements are erected and shall not be placed on the street.

(D) From the date of commencement of construction to the date of completion of construction of a dwelling on any lot, a port-a-potty, port-a-can, or similar portable sanitary waste disposal receptacle shall be situated on the lot for use by construction employees and laborers.

ARTICLE III.

PROPERTY RIGHTS

Section 1. Owner's Easements of Enjoyment. Every owner shall have a right and easement of enjoyment in and to Common Area, which shall be appurtenant to and shall pass with the title to every lot, subject to the following provisions:

(a) the right of the Association to charge fees for the repair and maintenance of the Common Area, collect all dues, fines and/or other fees of any sort noted in these restrictions and enforce collection of any such monies in the accordance with any and/or all terms, conditions or rights set forth within these restrictions;

(b) the right of the Association to suspend the voting rights of an owner for any period of time during which any assessment against his lot remains unpaid;

(c) the right of the Association to suspend the voting rights of any Owner during any period of time in which an infraction of any of the rules and regulations herein has taken place, and to uphold such suspension for up to 60 days after said owner's cure;

(d) the right of the Association to enforce any and all rules and regulations which are a part of these restrictions and to make and adopt rules and regulations regarding the use of the Common Area; and

(e) the right of the Committee to enforce any and all rules, restrictions and/or regulations which are a part of these restrictions.

Section 2. Delegation of Use. Any owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area facilities to the members of his family, his tenants, or contract purchasers who reside on his lot.

Section 3. Title to and Obligations Regarding Common Area. Notwithstanding any provisions to the contrary, Declarant may retain the legal right to any Common Area until such time as it has completed improvements thereon and all necessary inspections by the applicable

Contractor, Engineer, Utility Companies and/or the City, County or any other applicable inspection body have been satisfied OR until such time as, in the opinion of the Declarant and at its sole discretion, the Association is able to maintain the same.

(a) In this regard, unless otherwise provided herein, the Declarant hereby covenants for itself, its successors and assigns that title to the Common Area will then be conveyed to the Association at no cost (unless otherwise stated herein), at which time the Association shall then automatically assume responsibility for all obligations of Declarant relating to their respective portion or the Common Area. In addition, at the time of this conveyance, all construction warranties, if any, shall also be automatically transferred to the Association relating to the improvements forming a part of the Common Area and the Association shall indemnify and hold Declarant, its officers and partners, harmless from any expenses and/or damages of any kind associated with any and all repairs or damage to roads, utilities and any other Common Area improvements, with the Association (and each Owner) agreeing to contract and deal directly with the applicable third party (contractor, engineer, utility company or county) to remedy such repairs and damages.

(b) In connection with any conveyance of any Common Area from the Declarant to the Association, as set forth in these restriction, the Association shall take responsibility for the ownership and maintenance of any security gates or other security elements restricting access to the Subdivision (the "Security Elements"). Notwithstanding such conveyance, Declarant shall retain full and complete control of the operations of any such Security Elements regulating access to the Subdivision; it being understood that Declarant shall have the right to maintain control of the Security Elements and regulate access to the Subdivision as Declarant deems appropriate in Declarant's sole discretion until the earlier of the following: (1) the Subdivision is completely built out, with all lots having been conveyed to third parties and developed by completing construction of a residence thereon; or (2) Declarant specifically conveys control of the Security Elements over to the Association in writing.

(c) Until title to the Common Area has been conveyed to the Association by the Declarant, Declarant shall be entitled to exercise all rights and privileges relating to such Areas granted to the Association in this Declaration.

Section 4. Indemnification. The Association shall at all times from and after any turnovers of common area and/or management of the Association indemnify and hold Declarant, its officers and partners, harmless from any and all liability associated with any and all claims or damages of every kind arising out of the operations of the Properties or the Association. Additionally, Declarant, its officers and partners, may not be held liable in any way in its role in enforcing or failing to enforce any of the conditions of these restrictions, in protecting its rights or in carrying out any of its duties or obligations. This indemnification shall include the Association payment of any and all expenses including the payment of any and all legal expenses, court costs, all costs associated with the protection of Declarant, its officers and partners, in any legal actions or proceedings or any other action of any kind. Declarant, its officers and partners, shall be shown as an additional insured on the Association liability

insurance policy, which shall be in a form acceptable to Declarant and shall be maintained at the Association expense in an amount of not less than \$3 million. Said liability insurance requirement shall be in effect until at least three (3) years after (a) all of the common areas are turned over to the Association or (b) the entire development is completed and sold/built out, and any notes or agreements between Declarant and the Association have been paid in full.

Section 5. Assignment By Declarant. Declarant shall have full right and authority to sell or assign its rights, duties and obligations under these restrictions in conjunction with a sale of all of its unsold lots or acreage within the Subdivision, and, upon any such action, Declarant shall have no further obligation or liability, implied or otherwise, hereunder.

ARTICLE IV.

USES OF COMMON AREAS

Section 1. Easements of Enjoyment. Subject to the provisions of this Declaration, every member of the Association shall have a right and easement of enjoyment in and to the Common Areas; provided, however no member shall be deemed to have any right of access upon or across or the use of any lot not owned by such member, in connection with such easement of use or enjoyment of the Common Areas. Easements to the Common Areas shall be perpetual.

Section 2. Location of Common Areas. Properties owned in common areas are located as shown on the Subdivision Plats.

Section 3. Extent of Easements of Enjoyment. The right and easements of enjoyment created hereby shall be subject to the following:

(a) Planting; Obstructions. No planting, or gardening by Owners shall be permitted within the Common Areas, and no fences, hedges or walls or other obstructions shall be erected or maintained upon the Common Areas, except such as are installed by Declarant in connection with the construction of the initial improvements thereon, or such as are subsequently approved by the Board of Directors of the corporation.

(b) Rules and Regulations of Common Areas. The right of the Association from time to time to prescribe reasonable rules and regulations for the use, enjoyment, and maintenance of the Common Areas.

(c) Borrowing of Money. The right of the Association to borrow money for the purpose of improving the Common Areas, or any part thereof, and to mortgage the Common Areas, or any part thereof. Declarant specifically reserves the right to lend money to the Association from time to time at commercially reasonable terms.

(d) Protection of Common Areas. The right of the Association to take steps as are reasonably necessary to protect the Common Areas, or any part thereof, against damage.

condemnation or foreclosure.

ARTICLE V.

THE KERR AND KENDALL COUNTIES FALLING WATER PROPERTY OWNERS' ASSOCIATION, INC. AND COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 1. Membership and Voting. Declarant shall take all steps necessary to create the Association to which Association the Declarant may assign or delegate on a permanent or temporary basis one or more of the rights, powers, obligations and duties of the Declarant under these restrictions. Every Owner of a Lot within the Properties shall be a member of the Association.

The Association shall have three classes of voting membership.

Class A: Class A members shall be all owners of lots with a dwelling thereon with the exception of the Declarant and shall be entitled to one (1) vote for each lot owned. When more than one person owns an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any one lot hereunder.

Class B: Class B Members shall be all the Owners of lots without a dwelling thereon with the exception of the Declarant. Each Class B Member shall be entitled to one (1) vote for each unimproved lot owned.

Class C: Class C Members shall be those individuals or entities who are herein defined as Declarant, and for each Lot owned they shall be entitled to three (3) votes on each matter coming before the Members at any meeting or otherwise. Once a Lot is sold to an individual or individuals who would be classified as Class A members, the three votes attached to that Lot shall be extinguished.

Section 2. Turnover. At any time after commencement of operations of the Association, at Declarant's sole discretion, the property owners may be required to take over the management of the Association and relieve Declarant of all duties associated therewith. Upon such "Turnover" by the Declarant, the property owners within the Subdivision will be required to choose their own Board of Directors to represent them and to manage the Association in accordance with the terms and conditions of these restrictions and to establish any and all bylaws, procedures and other management devices by which the Association shall operate. Any Board Members/Directors must be owners within the Subdivision.

Notwithstanding anything to the contrary, until such "Turnover" has taken place, the

management of the Association shall be by Declarant and its staff, and any expenses incurred in such management shall be reimbursed to Declarant by the Association. Said reimbursable expenses shall include the cost of Declarant's staff for the time spent in the management thereof of this Association. From and after the time of such turnover, the Association shall indemnify and hold Declarant, its officers and partners, harmless from and against any and all claims or damages of every kind, arising out of the development and operations of the Properties or the Association.

Section 3. Personal Obligation and Lien Rights Associated with Collection of Dues and Assessments. Each lot owner, by acceptance of a deed, whether or not it shall be so expressed in such deed, is deemed to agree to pay to the Association regular semi-annual assessments and all other Association dues, fees, fines, assessments or charges of any kind, including special assessments for capital improvements, which may be established and collected as hereinafter provided.

(a) The semi-annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to any successors or assigns in title unless assumed by them.

Section 4. Purpose of Assessments. The assessments levied by the Association shall be used to promote the recreation, health, safety, and welfare of the residents and/or owners of the Properties and for the improvement and maintenance of the Common Area. These expenses may include, but shall not necessarily be limited to, payment of taxes and insurance, construction, repair or replacement of streets, security gates and entry, and other improvements to the Common Area, cost of trash and debris clean-up, street and lot cleaning, cost of professional or other outside services, and labor, equipment, materials, outside management and supervision necessary to carry out its authorized functions. Additionally, any other expenses which, in Declarant's sole discretion, are deemed necessary to uphold the Subdivision's property values and/or are for the overall betterment of the development and its appearance, shall be the responsibility of the Association and shall be paid out of assessments including, but not necessarily limited to, cost of security, lot cleaning, general maintenance and road cleaning.

Section 5. Initial Semi-Annual Assessment. Until adjusted pursuant to the terms as noted in this document, the maximum semi-annual assessments shall be initially as follows:

- * Class A: \$ 180.00 per individual lot;
- * Class B: \$ 90.00 per individual lot;
- * Class C: \$ 25.00 per individual lot.

(a) From and after January 1 of the calendar year immediately following the conveyance of the first lot to an owner, the maximum semi-annual assessment may be increased

each year by the Board of Directors by not more than 15% above the maximum assessment for the previous year without a vote of membership.

(b) From and after January 1 of the calendar year immediately following the conveyance of the first lot to an owner, the maximum semi-annual assessment may be increased above 15% by a vote of two-thirds (2/3) of the members who are voting in person or by proxy at a meeting duly called for this purpose.

(c) The Board of Directors may fix the semi-annual assessment at an amount not in excess of the maximum.

(d) In no event will Class C assessments stated above be altered or adjusted.

Section 6. Special Assessments. In addition to the semi-annual assessments authorized above, the Board of Directors of the Association may levy a special assessment for the purpose of defraying the cost of any construction, reconstruction, repair or replacement of a capital improvement upon or which is a part of the Common Area, including fixtures and personal property related thereto, or for carrying out other purposes of the Association as stated herein or in the Articles of the Association.

Section 7. Notice and Quorum for any Action Authorized Under Section 5 and 6. Written notice of any meeting called for the purpose of taking any action authorized under Section 5 or 6 above shall be sent to all members not less than 30 days nor more than 60 days in advance of any meeting. At the first such meeting called, the presence of members or proxies entitled to cast sixty percent (60%) of all the votes of the membership shall constitute a quorum. If the required quorum is not present, another meeting may be called by the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 8. Uniform Rate of Assessment. Any and all dues of the Association or special assessments must be fixed at a uniform rate for all lots and may be collected on a monthly basis in lieu of semi-annually by a majority vote of the Board of Directors, or by Declarant. In these restrictions pertaining to the Association dues or special assessments, it shall be construed to mean "monthly" whenever the above event occurs.

Section 9. Date of Commencement of The Semi-Annual Assessments. The semi-annual assessments for any particular lot, by the Owners' Association provided for herein shall not commence until January 1, 1997 AND substantial completion of the roads and utilities to the particular lot has been obtained. After the above have been satisfied, the assessments for the buyer of each Lot shall commence no later than six (6) months after the effective date of the contract OR the date of Lot closing, whichever is earlier (for Class C lots not sold or contracted at the times noted above, dues shall not commence until one (1) year thereafter), and shall be due each semi-annual billing date thereafter.

(a) Class B memberships will automatically convert to Class A memberships on the substantial completion of construction of any dwelling built on such Lot, except in cases where a builder purchased the lot from Declarant for the sole purpose of building a dwelling to offer for sale, then the said conversion shall take place when any of the following events occur; (a) 6 months have passed since substantial completion of the dwelling, (b) any person or family (including builder) moves into the dwelling or (c) a sale of the Lot to any other party takes place. For purposes of clarification, the term "substantial completion," as used herein, shall be considered as the time when the construction of any building or dwelling has reached the point that it is habitable.

(b) For billing purposes, the semi-annual assessment period will be the 1st day of each January and July and shall commence as to each portion of the property on the first day of the month following the time of commencement, as noted above, and shall be prorated according to the appropriate membership class during the assessment period. All dues are payable in advance at the closing (or by billing if Lot already sold) up to the time of the next future billing. The Board of Directors shall fix the amount of the semi-annual assessment against each Lot at least thirty (30) days in advance of each semi-annual assessment period. Written notice of the semi-annual assessment shall be sent to every Owner subject thereto.

(c) The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

(d) Notwithstanding any other terms or conditions set forth in these restrictions, any expenses which are incurred by Declarant prior to the establishment of the Association, or prior to sufficient income being received from assessment billings, and which would normally be the responsibility of the Association, shall be reimbursed to Declarant from proceeds of the Association as funds become available from dues and assessments, but, in any case not later than 1 year after the time of establishment of the Association and/or the expense was incurred.

Section 10. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the highest legal rate permitted by law to be charged the non-paying Owner, and in addition thereto, for each thirty day period thereafter for which the assessment shall remain unpaid, there shall be charged a monthly fee of \$10.00 per month for owners of lots without a dwelling thereon and a fee of \$20.00 per month for owners of lots with a dwelling thereon.

Section 11. Subordination of the Lien to Mortgage. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. The sale or transfer of any lot shall not affect the assessment lien. However, the sale or transfer of the Lot pursuant to a mortgage foreclosure shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any

assessments thereafter becoming due or from the lien thereof.

Section 12. Exempt Property. All Common Areas and other portions of the Properties, if any, which are dedicated to public authorities shall be exempt from Assessment.

Section 13. Option to Cure. Declarant, or the Association, has the option, but not the obligation to perform any action required of any owner by these restrictions. In the event that Declarant or the Association elects to do so, all sums incurred by the Declarant or the Association in performing the required action shall be charged against the owner and if not paid within thirty (30) days after it is due said sums shall bear interest at the highest legal rate permitted by law to be charged the owner and shall be secured by a lien (the same as if said sums were due and/or assessments) on all Lots(s) owned by said owner. The Declarant or the Association may bring an action at law against the Owner of the lot subject to the assessment for payment thereof and/or bring an action to foreclose the lien which secures the assessment.

ARTICLE VI.

ARCHITECTURAL CONTROL COMMITTEE

Section 1. Development Objectives. The aesthetic and ecological quality of the Properties requires that all improvements be compatible with other Improvements and be in harmony with the natural surroundings. To this end, an Architectural Control Committee (sometimes hereinafter called "the Committee") has been created as described in Section 2 of this Article. The Architectural Control Committee has the responsibility to carry out the goals and functions that have been adopted, and are described below, and which may be amended from time to time.

Section 2. Architectural Control Committee. The Architectural Control Committee shall be composed of three members selected and appointed by the Board of Directors of Falling Water Homeowners Association and may include members of such Board. The Board of Directors shall have the exclusive right and power at any time, and from time to time, to create and fill vacancies on the Architectural Control Committee. The Committee reserves the right from time to time to file instruments in the Real Property Records of Kendall and Kerr Counties, Texas designating its then current composition.

Section 3. Goal of Architectural Control Committee. The goal of the Committee is to encourage the construction of improvements of good architectural design, quality and proper size compatible with Declarant's conceptual plan for the Properties. Improvements should be planned and designed with particular attention to the design and aesthetic appearance of the exterior and the use of such materials as will, in the judgment of the Committee, create an attractive and harmonious blend with existing Dwellings and the natural surroundings. The Committee may disapprove the construction or design of an improvement on purely aesthetic grounds where, in its judgment, such disapproval is required to protect the continuity of design or values of the neighborhood and of other homeowners, or to preserve the serenity and natural beauty of any

surroundings. Prior judgments regarding such matters of design or aesthetics shall not be deemed binding upon the Architectural Control Committee if such Committee feels that the repetition of such matters will have an adverse effect on the properties.

Section 4. Function of the Architectural Control Committee. The Committee shall function as the representative of the owners for the purposes herein set forth as well as for all purposes consistent with the creation and preservation of a first class development. No improvement, as that term is defined in Article I of this Declaration, shall be erected, constructed, placed, altered (either by addition or deletion), maintained or permitted to remain on any portion of The Properties until plans and specifications, in such form and detail as the Committee may deem necessary, shall have been submitted to and approved in writing by such Committee. The Architectural Control Committee shall have the power to employ professional consultants to assist it in discharging its duties. The decision of the Architectural Control Committee shall be final, conclusive, and binding upon the applicant.

Section 5. Procedures of the Architectural Control Committee. The Committee may establish and publish from time to time reasonable administrative procedures and separate building guidelines covering residential and non-residential Improvements. Any procedures or guidelines shall be based solely on provisions of the Declaration of Covenants, Conditions, and Restrictions of Falling Water Subdivision and shall be distributed, when promulgated by the Architectural Control Committee, to the owners.

Section 6. Indemnity. The Association shall at all times indemnify and hold the Committee and the Committee members harmless from any and all liability associated with any and all claims or damages of every kind arising out of the actions, or omissions to act, of the Committee and/or its members. The Committee and its members shall be shown as an additional insured on the Association's liability insurance policy as provided under ARTICLE III. PROPERTY RIGHTS, Section 4., Indemnification. of the Declaration.

ARTICLE VII.

SUBMITTAL AND APPROVAL PROCESS

Section 1. Design Submittal. The Owner must submit a design plan, which must adequately reflect to the Committee the true design quality of the proposed work. Final plans and specifications shall be submitted in complete form in duplicate and shall include a floor plan and all elevations of any proposed structure(s) (including fences, walls, sign, pools, pool buildings, etc.), roof height, specification of materials, colors, textures and shapes. All measurements and dimensions, both interior and exterior, must be shown. (1/4"-1' minimum) Description of materials and finishes must be clearly indicated. The design plan shall include a plat of the owner's lot which shall specify the location of the improvements upon the lot.

Section 2. Basis of Approval. Approval of preliminary design plans and final plans and specifications shall be based upon the following:

- (a) The architectural and structural integrity of the design.
- (b) Harmony and conformity of the design with the surroundings both natural and built.
- (c) Adequacy of the design to conditions of the site.
- (d) Relation of finished grades and elevations to neighboring sites.
- (e) Conformity to specific and general intent of the Protective Covenants covering the subdivision of which the Lot in question forms a part.
- (f) Relation of improvements to improvements on neighboring sites.
- (g) Protecting the view from lots whose location provides distant views.
- (h) Preliminary plans shall be submitted and approved by the Committee prior to proceeding with final plans and specifications. The preliminary plans shall include a section depicting the finished floor elevation relative to existing and finished grades within 10 feet beyond the front, side, and the back of the residence.

Section 3. Variances. Upon submission of a written request for same, the Architectural Control Committee may, from time to time, in its sole discretion, permit Owners to construct, erect, or install Improvements which are in variance from the covenants, restrictions, or architectural standards which are provided in this Declaration or the applicable Protective Covenants or those which may be promulgated in the future. In any case, however, such variances must, in the Committee's sole discretion, blend effectively with the general architectural style and design of the community and must not detrimentally affect the integrity of The Properties nor harmony with the natural surroundings. No member of the Committee shall be liable to any owner for claims, causes of action or damages arising out of the grant of any variance to an Owner. Each request for a variance submitted hereunder shall be reviewed separately and apart from other such requests and the grant of a variance to any Owner shall not constitute a waiver of the Committee's right to strictly enforce the Covenants, Restrictions and architectural standards provided hereunder, against any other owner.

Section 4. Issuance of a Building Permit. Upon approval of final submittals, a building permit will be issued and construction may begin. All such permits must be prominently displayed at the job site and covered with clear plastic to prevent weathering. The issuance and acceptance of the building permit assures that:

- (a) Construction of an approved building will be completed within nine months from start of construction. Approved landscaping must be completed upon the earlier to

occur of ninety (90) days after the date of the completion of construction of the approved building or twelve (12) months from the start of the construction of the approved building.

(b) Construction will be in accordance with approved plans.

(c) Any exterior changes after final approval of plans by the Architectural Control Committee must be approved in writing by the Committee prior to Construction of those changes.

(d) Regular inspections may be made by a representative of the Committee.

Section 5. Failure of the Committee to Act. If the Architectural Control Committee fails to approve or to disapprove either the preliminary design plans or the final plans and specifications or to reject them as being inadequate within thirty (30) days after submittal thereof, it shall be conclusively presumed that such Committee has approved such preliminary design plan or such final plans and specifications. If preliminary design plans or final plans and specifications are not sufficiently complete or are otherwise inadequate, the Architectural Control Committee may reject them as being inadequate or may approve or disapprove part, conditionally or unconditionally, and reject the balance.

Section 6. Limitation of Liability. Neither the Declarant, the Association, the Architectural Control Committee, nor any of the members of such Committee shall be liable in damages or otherwise to anyone submitting plans and specifications for approval or to any owner of land affected by this Declaration by reason of mistake of judgment, negligence, or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or to disapprove any plans and specifications.

ARTICLE VIII.

SIZE OF DWELLING

The minimum total floor area of Dwellings, exclusive of open porches, breezeways, carports, garages and other outbuildings, shall be as follows: A minimum of 2,000 square feet if one story, and 2,300 square feet if more than one story.

ARTICLE IX.

BUILDING AND OUTBUILDING REQUIREMENTS

Section 1. Buildings

(a) Masonry – No residence or other improvements shall have less than 65% masonry or masonry veneer exterior, said percentage to apply to the aggregate area of all exterior

walls. Glass areas shall be construed as masonry areas. Masonry materials other than brick, native stone, stucco, ceramic tile, or plaster are subject to approval upon review by the Architectural Control Committee.

(b) Driveways - All driveways running from the street to the entry of the residence shall be constructed/surfaced with concrete, exposed aggregate, brick pavers, stone, tile, hot mix, asphalt, or other similar hard surfaced material. When culverts are necessitated, they shall be constructed with 18" diameter corrugated pipe with concrete sloped headwalls and concrete rip rap.

(c) Entrance - Driveway aprons shall generally be shaped to the contour of the driveway, drainage easement and the street which is adjacent to the driveway apron. Culverts shall only be utilized if approved by the Architectural Control Committee.

Section 2. Other Buildings

Every outbuilding, inclusive of such structures as a storage building, greenhouse or children's playhouse, shall be compatible with the dwelling to which it is appurtenant in terms of its design and material composition, and every such outbuilding which exceeds 100 square feet in area shall be subject to the masonry requirements set out in Section 1, (a) above, unless the Architectural Control Committee shall approve a variance from the requirement. All such buildings shall be subject to approval of the Architectural Control Committee. The garage shall not exceed 1,000 square feet unless approved by the Architectural Control Committee. Other outbuildings shall not exceed 200 square feet unless approved by the Architectural Control Committee.

All outbuildings shall be constructed in a manner that the contents of the outbuilding are screened from view from adjacent streets.

ARTICLE X.

TEMPORARY STRUCTURES

No structure of a temporary character, such as a trailer, mobile home, manufactured home, tent, shack, garage, barn or other outbuilding shall be used on any lot at any time as a residence. No trailer, camper, recreational vehicle, or similar vehicle shall at any time be connected to utilities situated within a lot. No dwelling previously constructed elsewhere may be moved on any lot in the subdivision, provided, buildings of a historic character may be dismantled and then reassembled upon a lot subject to the approval of the Architectural Control Committee. This covenant specifically excludes the use of a mobile home or manufactured home in which the axle and wheels have been removed and placed upon a concrete slab or left attached, which said mobile home or manufactured home is hereby specifically prohibited as a residence, either temporarily or permanently. A portable building may be permitted for use as a Builder's Construction Office (subject to approval of the Architectural Control Committee).

however, any such building or structure must be removed within 6 months of start of construction of any building or structure on any adjacent lot.

ARTICLE XI.

SIGNS

No sign of any kind shall be displayed to the public on any single-family residential lot except the following:

1. During the construction phase of a single family dwelling within the subdivision, a builder, or its agent, may have one sign upon the lot which sign shall have been approved by the Architectural Control Committee and which sign shall not advertise other subdivisions in any way. No "For Sale" sign or directional sign to a property, may be erected on common area or other owners' properties:

2. One professional sign of not more than five square feet advertising the sale of a property upon which is situated a single family residence which sign has been approved by the Architectural Control Committee; and

3. The Declarant shall have the right to erect, maintain and repair signs which will advertise, promote and market lots within the subdivision.

Declarant, or its agent, shall have the right to remove any sign not complying with the provisions of this section, and in so doing shall not be liable for any claim or cause of action arising from such removal.

Notwithstanding the above, directional traffic, at risk, and similar signage approved by the Architectural Control Committee may be erected within the subdivision.

ARTICLE XII.

MAINTENANCE

(A) Trees, shrubs, vines and plants that die shall be promptly removed from the property. Lawns must be properly maintained, fences must be repaired and maintained, and no objectionable or unsightly usage of lots will be permitted which is visible to the public view. Building materials shall not be stored on any lot except when being employed in construction upon such lot, and any excess materials not needed for construction and any building refuse shall promptly be removed from such lot.

Until a home or residence is built on a lot, Declarant and/or the Association may, at its sole discretion, have the grass, weeds and vegetation cut when and as often as the same is necessary in its judgement, as well as have dead trees, shrubs and plants removed therefrom.

Declarant may also, at its option, remove any excess building materials or building refuse situated on a lot in violation of this covenant. The owner of any lot within Classes A & B shall be obligated to reimburse the Association for the cost of any such maintenance or removal upon demand.

Maintenance of all common area amenities shall be the responsibility of the Association, including all intersections, lot corners or areas designated by the Declarant or the Association.

ARTICLE XIII.

UTILITY EASEMENTS

Section 1. Existing Easements. The Subdivision Plat dedicates for use as such, subject to the limitations set forth therein, certain easements shown thereon, and such Subdivision Plat further establishes dedications, limitations, reservations, and restrictions, applicable to the Properties. Further, Declarant and Declarant's predecessors in title have heretofore granted, created and dedicated by several recorded instruments, certain other easements and related rights affecting the Properties. All dedications, limitations, restrictions, and reservations shown on the Subdivision Plat and all grants and dedications of easements and related rights heretofore made by Declarant and Declarant's predecessors in title affecting the Properties are incorporated herein by reference and made a part of this Declaration for all purposes, as if fully set forth herein, and shall be construed as being adopted in each and every contract, deed or conveyance executed or to be executed by or on behalf of Declarant conveying any part of the Properties.

Section 2. Changes, Additions, and Reservations. Declarant reserves the right to make changes in and additions to the above easements for the purpose of more efficiently and economically installing any improvements. Further, Declarant reserves the right, without the necessity of the joinder of the Association or any Owner or other person or entity, to grant, dedicate, reserve or otherwise create easements for utility purposes, (including, without limitation, water, sewer, gas, electricity, telephone, cable television, and drainage) in favor of any person or entity furnishing or to furnish utility services to the Properties, but only to the extent reasonably necessary and appropriate.

Section 3. Title to Easements and Appurtenances Not Conveyed. Title to any Lot conveyed by Declarant by contract, deed, or other conveyance shall not be held or construed in any event to include the title to any roadways or any drainage, water, gas, sewer, storm sewer, electric light, electric power, cable television line, telegraph or telephone way, or any pipes, lines, poles, or conduits on or in any utility facility or appurtenances thereto, constructed by or under Declarant or its agents through, along or upon any Lot or any part thereof to serve said Lot or any other portion of the Properties, and the right to maintain, repair, sell, or lease such appurtenances to any municipality or other governmental agency or to any public service corporation or to any other party is hereby expressly reserved in Declarant.

Section 4. Installation and Maintenance. There is hereby created an easement upon, across, over and under all of the Common Areas for ingress and egress in connection with installing, replacing, repairing, and maintaining all utilities, including, but not limited to, water, sewer, telephones, electricity, gas, cable television and appurtenances thereto. By virtue of this easement, it shall be expressly permissible for the utility companies and other entities supplying service to install and maintain pipes, wires, conduits, service lines, or other utility facilities or appurtenances thereto, on, above, across and under the Common Area within the utility easements from time to time existing and from service lines within such easements to the point of service on or in any structure situated upon the Properties. Notwithstanding anything contained in this paragraph, no sewer, electrical lines, water lines, or other utilities or appurtenances thereto may be installed or relocated on the Common Areas until approved by Declarant or the Association's Board of Directors. Any utility companies furnishing service to the Properties shall have the right to remove (if absolutely necessary) any trees situated within the utility easements shown on the Subdivision Plat, and to trim overhanging trees and shrubs located on portions of the Properties abutting such easements if reasonably necessary for the servicing thereof.

Section 5. Emergency and Service Vehicles. An easement is hereby granted to all police, fire protection, ambulance and other emergency vehicles, and to garbage and trash collection vehicles, and other service vehicles to enter upon the Common Area in the performance of their duties. Further, an easement is hereby granted to the Association, its officers, agents, employees and management personnel to enter the Properties to render any service.

Section 6. Surface Areas. The surface of easement areas for underground utility services may be used for planting of shrubbery, trees, lawns, or flowers. However, neither the Declarant nor any supplier of any utility service using any easement area shall be liable to any owner or to the Association for any damage done by them or either of them, or their respective agents, employees, servants or assigns, to any of the aforesaid vegetation as a result of any activity relating to the construction, maintenance, operation or repair of any facility in any such easement area, except as may be required by State, County or Municipal statutes, ordinances, rules or regulations or by the Association or by the custom and practice of such utility company. Prior to the construction of any utilities on a developed lot ("developed lot" shall be defined as any lot which has constructed thereon a dwelling unit) Declarant and/or the Association reserve the right to require that the utility company pay for the cost of repairing the easement to the same condition as it was prior to the construction.

ARTICLE XIV.

DRAINAGE EASEMENTS

Easements for drainage throughout the Subdivision are reserved as shown on the aforementioned recorded plats, such easements being depicted thereon as "drainage easements." No owner of any lot in the Subdivision may perform or cause to be performed any act which

would alter or change the course of such drainage easements in a manner that would divert, increase, accelerate or impede the natural flow of water over and across such easements. More specifically, and without limitation, no owner may:

- (1) alter, change or modify the existing natural vegetation of the drainage easements in a manner that changes the character of the original environment of such easements:
- (2) alter, change or modify the existing configuration of the drainage easements, or fill, excavate or terrace such easements or remove trees or other vegetation therefrom without the prior written approval of the Architectural Control Committee:
- (3) construct, erect or install a fence or other structure of any type or nature within or upon drainage easements which will impede the natural flow of water over said easement.
- (4) permit storage, either temporary or permanent, of any type upon or within such drainage easements; or
- (5) place, store or permit to accumulate trash, garbage, leaves, limbs or other debris within or upon the drainage easements, either on a temporary or permanent basis.

The failure of any owner to comply with the provisions of this Article shall in no event be deemed or construed to impose liability of any nature on the Architectural Control Committee, Association and/or Declarant, and such Committee, Association and/or Declarant shall not be charged with any affirmative duty to police, control or enforce such provisions. The drainage easements provided for in this provision shall in no way affect any other recorded easement in the Subdivision.

ARTICLE XV.

VEHICLES

No trailer, tent, boat or recreational vehicle shall be kept, parked, stored, or maintained on any portion of the front yard in front of the street side building line of the permanent structure and shall be kept, parked, stored or maintained on other portions of a lot only within an enclosed structure or a screened area which prevents the viewing by sight thereof from adjacent lots or streets. The openings to structures which house, or in which is stored, any motor vehicle, motorcycle, boat, trailer, recreational vehicle, or similar equipment or machinery, whether or not the structure is attached to the permanent residence, shall not face an adjoining street and the contents of the structure shall not be visible by sight from the adjoining street.

No stripped down, wrecked, junked or inoperable trailers, boats, recreational vehicles or motor vehicles shall be kept, parked, stored, or maintained on any lot. No dismantling or assembling of motor vehicles, boats, trailers, or other machinery or equipment shall be permitted

in any driveway or yard. No commercial vehicle bearing commercial insignia or name shall be parked on the streets of the subdivision other than for the purpose of serving such lot. No vehicles of any description may be parked overnight on any street within the Properties.

1. No cars may be parked on any portion of the property, other than the driveway or garage on a regular or overnight basis. Visitor or property owner's recreational vehicles or trailers may be parked in the driveway for a maximum of seven (7) days.

2. Vehicles will not be operated on any roads, common area or property other than that of the property owner unless the operator is sixteen (16) years of age or older. Unlicensed recreational vehicles such as go karts, dirt bikes, or motorized skateboards are not permitted within the subdivision.

ARTICLE XVI.

NUISANCES

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. This includes builders and construction workers working after daylight hours. Violations of such restrictions after one written notice has been sent by the Declarant or Association to the lot owner/builder are subject to a fine of no less than \$100 and no more than \$1,000 per notice.

No owner shall do any act or any work that will impair the structural soundness or integrity of another residence or impair any easement or hereditament, or do any act or allow any condition to exist which will adversely effect the other residences or their owners.

No exposed bulb or wraparound lens yard lights shall be permitted. Exterior lights on buildings shall have housings which can shield or directly focus the light source downward unless the light is mounted under a soffit. The objective and intent of this restriction shall be to minimize light pollution of the night sky and minimize the visibility of light sources from any other part of the subdivision. All landscape and security lighting shall be subject to the review and approval of the Architectural Control Committee.

No exterior speakers, horns, whistles, bells or other sound devices (except security devices such as entry door and patio intercoms and alarm systems used exclusively to protect the lot and improvements situated thereon) shall be placed or used upon any lot.

ARTICLE XVII.

GARBAGE AND REFUSE DISPOSAL

No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage and

other waste shall be kept in sanitary containers. No trash, ashes or other refuse may be thrown or dumped on any vacant lot or drainage area in said Subdivision. All household trash shall be disposed of at a sanitary landfill off of the Subdivision. Timber and vegetative debris upon the lot may be disposed upon the lot provided it is in compliance with applicable statutes and regulations.

ARTICLE XVIII.

ANIMALS AND PETS

No hogs, swine, poultry, fowl, emu, ostriches, rhea, or other similar birds shall be kept or permitted on any lot at any time. Other livestock and pets, subject to the further limitations herein, shall be permitted provided such livestock or pets are sheltered and kept within the boundaries of the owner's lot at all times, and they are not offensive by smell, sight, sound or otherwise. No commercial feeding operations or commercial breeding of animals shall be conducted on any lot.

No more than two (2) dogs may be sheltered or kept upon any lot at any time. No more than one (1) animal unit of domestic livestock shall be permitted upon each three (3) acres of land contained within each lot and such intensity of livestock stocking is restricted to only those lots which have the carrying capacity for such intense grazing. The determination of the carrying capacity and stocking rate of any lot shall be subject to the discretion and approval of the Architectural Control Committee. The stocking of domestic livestock which constitutes overgrazing shall not be permitted. All livestock pens, corrals, barns, sheds or other structures for the caring or sheltering of livestock shall be approved by the Architectural Control Committee and shall be constructed in a professional manner and maintained so it is not noxious or offensive to other property owners.

All such animals shall be kept in strict accordance with all local laws and ordinances (including leash laws) and in accordance with all rules established by the Declarant or the Association. It shall be the responsibility of the owners of household pets to prevent the animals from running loose or becoming a nuisance to the other residents. Household pets shall be vaccinated and tagged for identification.

ARTICLES XIX.

OIL AND MINING OPERATIONS

No oil drilling, oil development operations, oil 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 any lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any lot. No tank

for the storage of oil or other fluids may be maintained on any of the lots above the surface of the ground, provided tanks for the storage of propane gas to be used for household purposes may be maintained.

ARTICLE XX.

MAILBOXES

All mailboxes on the property shall conform to the requirements of the United States Postal Service. All mailboxes shall be constructed with the same types of materials as are used in the construction of the main residence. Other materials for the construction of the mailboxes shall be subject to the review and approval of the Architectural Control Committee. Stand alone single support with mailbox top is expressly prohibited. The design and location of mailboxes is subject to the review and approval of the Architectural Control Committee. Any structure or receptacle to be erected in substitution for, or as an alternative to, a mailbox must be approved by the Architectural Control Committee.

ARTICLE XXI.

ATHLETIC FACILITIES

Tennis court lighting and fencing shall be allowed with the approval of the Architectural Control Committee. No basketball goal backboards or any other similar sporting equipment of either a permanent or temporary nature shall be placed within the front building setback line.

ARTICLE XXII.

ROOFS

The surface of all roofs of principal and secondary structures shall be of materials with a manufacturer's lifetime warranty of at least thirty (30) years, and shall be either dimensional fiberglass shingles, slate, tile, factory fire-treated wood, or metal as approved by the Architectural Control Committee.

The Architectural Control Committee shall have the authority to approve other roof treatments and materials when, in its determination, such treatments and materials in the form utilized will not be a detriment to the quality of the neighborhood. Simplicity in the overall building design is desirable to provide visual continuity throughout the neighborhood, creativity is encouraged; however, a distracting roof design is not permissible. Major roof masses which slope toward the street are preferred. All roofs shall be not less than 4 on 12 pitch.

All stacks, vents, approved antennae and other roof mounted accessories shall be placed and erected behind the ridge of the roof so they are not visible from the street abutting the front of the residence and shall not extend above the ridge line.

ARTICLE XXIII.

SETBACK LINES

All buildings, habitable or not, must be constructed, placed and maintained in conformity with platted setback lines, if any, and in no event shall any such building or other structure be constructed, placed or maintained within fifty feet (50') of the front boundary of a lot, twenty-five feet (25') of the side boundary of a lot or twenty-five feet (25') of the rear boundary of a lot.

Notwithstanding the provisions set forth in the preceding paragraph, all setback line requirements herein specified or set forth on recorded plats may be waived by the Architectural Control Committee in the event the variance requested by the owner of a lot will not, in the opinion and at the sole discretion of said Committee, detract from the general appearance and/or character of the neighborhood or in any way be injurious or harmful with respect to contiguous development, and which may be required to allow for the development in deference to the size and/or shape of a lot, its topography and/or the saving of significant trees.

Residences shall be situated, to the extent possible, at a location which is in a central position in relation to the perimeter boundaries of the lot. Notwithstanding the objective of central location of residences, the Architectural Control Committee shall have the authority to approve variances when requested by the owner of a lot, if in the opinion and at the sole discretion of the Committee, the variance will not detract from the general appearance and/or character of the neighborhood or in any way be injurious or harmful with respect to contiguous development, and which may be required to allow for the development in deference to the size and/or shape of the lot, its topography and/or the saving of significant trees. Approval of a variance shall not be unreasonably withheld.

Requests for variance from setback line requirements must be submitted to and approved by the Architectural Control Committee prior to issuance of a building permit. No setback variance will be issued after construction has begun. It is the responsibility of the property owner to assure construction is completed in accordance with the approved building permit.

ARTICLE XXIV.

TERM

The foregoing covenants are made and adopted to run with the land and shall be binding upon the undersigned and all parties and persons claiming through and under them until January 1, 2025, at which time said covenants shall be automatically extended for successive periods of ten (10) years unless and until an instrument executed by a majority of the then owners of the lots in the Subdivision controlled by these covenants has been recorded agreeing to change and/or terminate said covenants in whole or in part.

ARTICLE XXV.ENFORCEMENT

Declarant, its successors or assigns, the Association, its successors or assigns, or any Owner of any lot in the Subdivision, shall have the right to enforce, by proceedings at law or in equity, these restrictive covenants. Failure of Declarant or the Association to take any action upon any breach or default shall not be deemed a waiver of their right to take action upon any subsequent breach or default. Declarant, for itself, its successors or assigns, reserves the right to enforce these restrictive covenants, though it may have previously sold and conveyed all subdivided lots in the Subdivision controlled by these covenants. The reservation by Declarant or the Association of this right of enforcement shall not create a duty or obligation of any kind to enforce same, and neither Declarant nor the Association shall not be subjected to any claim, demand, or cause of action from any lot owner by virtue of not enforcing any restrictions herein contained.

The Association shall have the authority to employ self-help to enforce compliance with any provision of the Declaration. Upon the occurrence of a default or other violation of the Declaration, the Association may provide notice to the defaulting owner of the matter of noncompliance, the action necessary to cure the noncompliance, and a date by which the noncompliance shall be cured. In the event the owner fails to cure the matter of noncompliance within the required time, the Association may take action to cure the matter of noncompliance.

Notice of default or other violation of the Declaration and of the Association's intent to act pursuant to this provision shall be in the form and in the manner as required by Article XXXII. In the event of continuing noncompliance, a second notice, at least ten (10) days subsequent to the date of the mailing of the first notice, shall be sent to the noncomplying property owner. Not sooner than thirty-five (35) days after date of the mailing of the original notice, the Association may send notice to the noncomplying property owner of the Association's intent to act to cure the noncomplying condition. Such notice shall be sent by United States Certified Mail, return receipt requested, and shall otherwise conform to Article XXXII of the Declaration. In the event the noncomplying condition continues from and after ten (10) days from the date of the mailing of the Association's intent to act to remedy the noncomplying condition, the Association may commence actions to remedy the noncomplying condition at the sole expense of the noncomplying property owner. The Association may avail itself of all methods for recovery of funds expended as provided under the Declaration including nonjudicial foreclosure as provided in Article XXVIII. of the Covenants.

ARTICLE XXVI.PARTIAL INVALIDITY

The invalidation of any one of these covenants by judgement or court order shall in no way affect any of the other provisions, which shall remain in full force and effect.

ARTICLE XXVII.AMENDMENT

After "turnover" of the Association has occurred, the owners (but expressly excluding their respective mortgagee's, if any) of the legal title to ninety percent (90%) of the lots within the Subdivision may amend the restrictions and covenants set forth herein (except for the terms and conditions of any loan or assessments due to Declarant by the Association) by filing an instrument containing such amendment, along with proof of the 90% consent, in the office of the County Clerk of Kendall and Kerr Counties, Texas.

Notwithstanding anything to the contrary, Declarant shall have the right at any time, at its sole discretion and without any joinder or consent of any other party, to amend this Declaration for the purposes of correcting any error, ambiguity or inconsistency appearing herein or for any reason whatsoever deemed necessary for the benefit of the overall development as determined by Declarant, in its sole discretion. Said amendment shall be effective upon filing the said amended restrictions with the County Clerk of Kendall and Kerr Counties, Texas.

ARTICLE XXVIII.NONJUDICIAL FORECLOSURE

Section 1. To secure the payment of maintenance assessments and to ensure compliance with the applicable covenants, conditions, restrictions and easements set forth herein, each Owner, upon acceptance of his or her deed to a Lot governed by this Declaration conveys the Lot to the Trustee hereinafter named, in trust, for so long as these covenants, conditions, restrictions and easements shall remain in effect, such conveyance operating as a Special Deed of Trust. If an Owner fails to tender payment of maintenance assessments or reimbursements when due, or if an owner fails to perform any of the Obligations under or maintain any condition required by this Declaration, the Association may perform those obligations, advance whatever funds may be required, and then be reimbursed by the Owner on demand for any sums so advanced, including attorney's fees, plus interest on those sums from the dates of payment at the highest legal rate permitted by law for the Owner. The sum to be reimbursed shall be secured by this Special Deed of Trust.

Section 2. If the Owner fails on demand to reimburse the Association for the sums advanced or for the assessments owed, and such failure continues after the Association gives the owner notice of the failure and the time within which it must be cured, as may be required by law or by written agreement, then the Association, as the Beneficiary of this Special Deed of Trust, may:

(a) Request the Trustee appointed herein, or his successor, to foreclose the liens created herein, in which case the Association shall give notice of the foreclosure sale as provided

by Section 51.002 et. seq. of the Texas Property Code then in effect or any successor statute thereto; and

(b) Purchase the Lot at any foreclosure sale by offering the highest bid and then have the bid credited to the reimbursement or satisfaction of the outstanding indebtedness owed to the Association.

Section 3. If requested by the Association to foreclose this lien, the Trustee shall:

(a) Either personally or by agent give notice of the foreclosure sale as required by Section 51.002 et. seq. of the Texas Property Code then in effect or any successor statute thereto;

(b) Sell and convey the Lot to the highest bidder for cash with a general warranty binding the Owner, subject to prior liens and to other exceptions to conveyance and warranty; and

(c) From the proceeds of the sale, pay, in this order:

- (1) expenses of foreclosure, including a commission to Trustee of five percent (5%) of the successful bid;
- (2) to the Association, the full amount advanced, attorney's fees, and other charges due and unpaid;
- (3) any amounts required by law to be paid before payment to the owner; and
- (4) to the Owner, any remaining balance.

Section 4. Carroll J. Bryla, Attorney at Law, is appointed Trustee for the purpose of enforcing the covenants, conditions and restrictions imposed by this Declaration, and also for the collection of maintenance assessments. The Association, as Beneficiary, may appoint a substitute or successor trustee, succeeding to all rights and responsibilities of the Trustee appointed herein, by filing an appropriate designation of substitute trustee among the Real Property Records of Kendall and Kerr Counties, Texas.

Section 5. From and after any such foreclosure, the occupants of such Lot shall be required to pay a reasonable rent for the use of such Lot and such occupancy shall constitute a tenancy-at-sufferance. The purchaser at such foreclosure shall be entitled to the appointment of a receiver to collect such rents and, further, shall be entitled to sue for recovery of possession of such Lot by forcible detainer without further notice.

Section 6. It is the intent of the provisions of this Section to comply with the provisions of Texas Property Code Section 51.002 as may be amended hereafter, and, which amendment is applicable hereto. The President of the Association, acting without joinder of any Owner or

mortgagee of any owner, may, by amendment to this Declaration filed in the office of the County Clerk of Kendall and Kerr Counties, Texas, amend the provisions hereof so as to comply with said amendments to Section 51.002.

Section 7. Any liens created by Article III, Article V, or Article XII hereof, shall be superior to all other liens and charges against any Lot covered hereby except only for tax liens and all sums secured by a first-priority mortgage or deed of trust lien of record, securing in either instance sums borrowed for the purchase or improvement of the Lot in question.

ARTICLE XXIX.

SUBDIVISION OF LOTS

No further subdivision of platted Lots in the Subdivision shall be permitted unless the owner has obtained unanimous approval of the Association's Board of Directors.

Notwithstanding the above, platted lots in the subdivision may be resubdivided by the Declarant without approval by the Association's Board of Directors provided that after the resubdivision of platted lots the average acreage size of lots in the subdivision shall be at least five (5) acres per lot.

ARTICLE XXX.

WAIVER AND LACHES

The obligation to abide by the provisions contained in this Declaration shall be deemed to be of a continuing and continual basis. Each and every day an owner allows a condition to exist on his or her Lot which is not in compliance with the requirements contained herein shall constitute a separate and individual violation hereof, and shall give rise to a new cause of action for such breach. The intended effect and express purpose of this provision shall be that every owner, by accepting title to a Lot, hereby waives the affirmative defenses of the statute of limitations, waiver and laches with respect to covenant violations. Noncompliant conditions shall be allowed to exist on a Lot only upon the Owner obtaining a written variance in accordance with the applicable provisions herein. Failure of Declarant, the Association, the Committee, or of any Owner to enforce the terms of this Declaration shall in no event be deemed a waiver of the right to do so thereafter.

ARTICLE XXXI.

ASSESSMENTS BY AWARD OR JUDICIAL DECREE

In the event arbitration or litigation is necessary to enforce any provision contained within this Declaration, any and all awards granted by the arbitrator, or damages, penalties, fees, costs, and/or any other charges awarded in the decree shall also constitute an assessment, which

shall likewise run with the land, and which shall have the same priority as the lien created in Article V herein. Failure to pay assessments imposed under this Article shall constitute an event which may give rise to the remedies provided in Article XXVIII. herein.

ARTICLE XXXII.

NOTICE BY ASSOCIATION

Whenever written notice to a member (or members) of the Association is permitted or required hereunder, such shall be given by the mailing of such to the member at the address of such member appearing on the records of the Association, unless such member has given written notice to the Association of a different address, in which event such notice shall be sent to the member at the address so designated. In such event, such notice shall conclusively be deemed to have been given by the Association by placing same in the United States Mail, properly addressed, whether received by the addressee or not.

ARTICLE XXXIII. MISCELLANEOUS

(1) HUNTING AND FIREARMS

No hunting shall be permitted on any lot of the subdivision.

No firearms shall be discharged on the properties other than for the purpose of the protection of the health, safety or welfare of an individual or in the protection of the health, safety or welfare of an individual's property. At times of discharge of firearms, due regard shall be given to the personal safety of the owners of neighboring lots and shall be done in such a manner as not to pose a hazard or a nuisance to other property owners.

(2) WAIVER AND ESTOPPEL

All streets and roadways of this Subdivision shall be privately maintained by the Association. The Counties of Kendall and Kerr shall not be responsible for the maintenance and repair of the streets and roadways. By acceptance of a deed to a lot within the Subdivision, each purchaser covenants and agrees to waive any right the purchaser may have to demand or compel the maintenance or repair of the streets and roadways of the subdivision by the Counties of Kendall and Kerr and is estopped from doing so. All contracts for sale of lots within the Subdivision shall provide notice of the waiver of public maintenance.

(3) ANTENNAS, SATELLITE DISH AND OTHER TOWERS

No television antenna, satellite dish, radio tower, or other type or mode of transmission tower shall be erected, installed, or maintained without the prior approval of the Architectural Control Committee.

(4) UNDERGROUND UTILITY SERVICE

With the exception of Lots Nos. 5, 7, 8, 9, 10, 36 through and including 55. and

90 through and including 123, all utility service provided upon a lot within the subdivision, including but not limited to electrical, gas, telephonic and cable TV, shall be installed and maintained underground.

(5) WATER WELLS

No owner of a lot within this subdivision, other than Lot 2 and Lot 4, shall drill, operate or maintain a private water well on a lot. Private water wells on Lot 2 and Lot 4 shall be limited to a production capacity of not more than 25,000 gallons per day. A central water distribution system licensed by the Texas Commission on Environmental Quality which serves all or substantially all lots of the subdivision shall not be subject to the prohibitions and restrictions of this paragraph.

(6) FIREWORKS

The use and discharge of fireworks including, but not limited to, firecrackers, bottle rockets, roman candles, sparklers and similar items shall be prohibited within the Falling Water Subdivision. The Board of Directors of the Falling Water Homeowner's Association may designate a specific area for the discharge of fireworks for a limited duration at such special occasions as the Board of Directors may deem appropriate.

(7) LIVESTOCK LEASES

Each owner of a lot in the subdivision, designates the President of the Association as each lot owner's agent to enter into a lease or leases for the grazing of livestock upon the property owned by the lot owner. All lease income received shall be delivered to the Association to be used for its operations.

Each owner of a lot in the subdivision, designates the President of the Association as each lot owner's agent to enter into a lease or leases for the grazing of livestock upon the property owned by the lot owner. All lease income received shall be delivered to the Association to be used for its operations. In the event a lot owner desires to withdraw his property from the grazing lease, the lot owner shall withdraw authorization of the Association to enter into leases for grazing of livestock by delivering to the Association an instrument in writing withdrawing the lease authority and shall erect a fence suitable to restrain livestock to prohibit livestock from entering the property of the lot owner.

Each owner of a lot in the subdivision designates the President of the Association as each lot owner's agent to file an application for qualified open space land use under Section 23.54 of the Texas Property Tax Code. A lot owner may withdraw authorization of the Association to file the application by delivering to the Association an instrument in writing withdrawing the authority of the Association to act on the lot owner's behalf in qualifying the property.

(8) WILDLIFE MANAGEMENT

Each owner of a lot in the subdivision authorizes the Association as the lot owner's agent to develop and implement a wildlife management plan which will conform to the requirements of Section 23.51(7) of the Texas Property Tax Code. Each owner of a lot in the subdivision further designates the Association as the lot owner's agent to file an application for wildlife management designation as provided under Section 23.54 of the Texas Property Tax Code. A lot owner may withdraw authorization of the Association to file the application by delivering to the Association an instrument in writing withdrawing the authority of the Association to act on the lot owner's behalf in qualifying the property as qualified open space land through the use of the land for wildlife management.

(9) FENCES

All fences shall be constructed behind the rear line of the principal residence and within the setback lines of the individual lot. Material composition of the fence and location of the fence shall be subject to the approval of the Architectural Control Committee. The Architectural Control Committee may grant variances to fence locations based on property topography and location of the principal residence.

This consolidation and restatement of the Declarant, as amended, is executed by the Association, this 17th day of May, 2005.

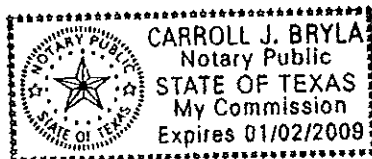
FALLING WATER PROPERTY OWNERS' ASSOCIATION, INC.

By: Bernard Selensky
 Printed
 Name: Bernard Selensky
 Title: President POA

THE STATE OF TEXAS §

COUNTY OF GILLESPIE §

This instrument was acknowledged before me on this the 17th day of MAY, 2005 by BERNARD SELENSKY, PRESIDENT of FALLING WATER PROPERTY OWNERS' ASSOCIATION, INC., on behalf of said corporation.



Carroll Bryla
 Notary Public, State of Texas

FILED BY & RETURN TO:

BRYLA & SCHOESSOW
ATTORNEYS AT LAW
105 W SAN ANTONIO ST
FREDERICKSBURG, TX 78624

FILED FOR RECORD
at 2:52 o'clock P.M.

MAY 20 2005

JANNETT PIEPER
Clerk County Court, Kerr County, Texas
Janett Pieper Deputy

I provide herein all information for the sale, rental or use of the described property because of color or race is invalid and unenforceable under Federal Law.
THE STATE OF TEXAS }
COUNTY OF KERR }
I hereby certify that this instrument was FILED in the File Number Sequence on the date and at the time stamped hereon by me and was duly RECORDED in the Official Public Records of Real Property of Kerr County, Texas on

MAY 23 2005



Janett Pieper
COUNTY CLERK, KERR COUNTY, TEXAS

RECORD

VOL.

Real Property
1437 PG 791

RECORDING DATE

MAY 23 2005



Janett Pieper
COUNTY CLERK, KERR COUNTY, TEXAS