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Montgomery County Title Co.
3307 W. Davis, Ste. B
Conroe, Texas 77304-1844
936-441-4889
GF # 02010207

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**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF FALCON SOUND ON THE LAKE**

THE STATE OF TEXAS

COUNTY OF MONTGOMERY

This Declaration of Covenants, Conditions and Restrictions, made on the date hereinafter set forth by Falcon Sound on the Lake, Ltd., a Texas limited partnership, hereinafter referred to as "Declarant":

WITNESSETH

Whereas, Declarant is the owner of that certain subdivision known as Falcon Sound on the Lake, a subdivision in Montgomery County, Texas, according to the map or plat thereof recorded in Cabinet S, Sheets 5 - 6, inclusive, of the Map Records of Montgomery County, Texas.

Whereas, it is the desire of Declarant to place certain restrictions, covenants, conditions, stipulations and reservations upon and against the Lots in the Subdivision in order to establish a uniform plan for the development, improvement and sale of the Subdivision, and to ensure the preservation of such uniform plan for the benefit of both the present and future owners of Lots in said Subdivision:

NOW, THEREFORE, Declarant hereby adopts, establishes, declares and imposes upon all Lots in Falcon Sound on the Lake as identified in the Subdivision Plat referenced above, the following restrictions, easements, restrictions, covenants and conditions for the purpose of enhancing and protecting the value, desirability and attractiveness of the subdivision, and these reservations, easements, covenants, restrictions and conditions shall run with the land and shall be binding upon all parties having or acquiring any right, title or interest in any Lot and shall inure to the benefit of each Owner.

Unless otherwise specifically provided herein, these Covenants, Conditions and Restrictions do not apply in any manner to the areas designated on the Subdivision Plat as "Reserve(s)" and the Reserve(s) are not restricted or affected in any manner by this instrument.

ARTICLE I
Definitions

- Section 1.** "Administrator" shall mean the entity administering the maintenance fund.
- Section 2.** "Architectural Control Committee" or "Committee" shall mean and refer to Falcon Sound Architectural Control Committee, provided for in Article V hereof.
- Section 3.** "Association" shall mean and refer to the Falcon Sound Property Owners Association.
- Section 4.** "Board of Directors" or "Board" shall mean the elected body of the Falcon Sound Property Owners Association.
- Section 5.** "Builder-Owner" shall mean and refer to the owner of a Lot who owns such

lot for the sole purpose of building a residence for sale to third parties, and is designated in writing as a Builder-Owner by Declarant.

- Section 6.** "Declarant" or "Developer" shall mean and refer to Falcon Sound on the Lake, Ltd., its successors and assigns.
- Section 7.** "Improvements" shall mean and refer to any dwelling, garage, carport, swimming pool, boat slip, wall, fence and any other object placed on, in or under the Properties.
- Section 8.** "Interior Lot" shall mean and refer to any Lot that does not have frontage on Lake Conroe.
- Section 9.** "Lake" shall mean and refer to Lake Conroe.
- Section 10.** "Lot" and/or "Lots" shall mean and refer to the lots as shown on the Subdivision Plat.
- Section 11.** "Member" shall mean and refer to every person or entity who holds a membership in the Association.
- Section 12.** "Nature Preserve" refers to a strip of land sixteen feet (16') wide located along the boundary lines of various Lots in the Subdivision, as depicted on the Subdivision Plat.
- Section 13.** "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Lot which is a part of the Properties. In the event of a contract for sale covering any Lot, the "Owner" shall be the purchaser named in the contract. "Owner" does not include those persons or entities having a security interest in the Lot or those having an interest in the mineral estate only.
- Section 14.** "Property and/or Properties" shall mean and refer to Falcon Sound on the Lake, as identified and depicted on the Subdivision Plat.
- Section 15.** "Reserve" shall mean and refer to the areas designated on the Subdivision Plat as a Reserve.
- Section 16.** "Resident" shall mean and refer to every person or entity occupying a Residential Dwelling within the Properties.
- Section 17.** "Residential Dwelling" shall mean and refer to a single residential dwelling with garage.
- Section 18.** "River Authority and/or SJRA" shall mean and refer to the San Jacinto River Authority.
- Section 19.** "Screening Easement" refers to a strip of land sixteen feet (16') wide located along the front boundary line of various Lots which are contiguous to Teel Road. The Screening Easement is depicted on the Subdivision Plat.
- Section 20.** "Subdivision" shall mean and refer to Falcon Sound on the Lake, as identified and depicted on the Subdivision Plat.
- Section 21.** "Subdivision Plat" shall mean and refer to the map or plat of Falcon Sound on the Lake, recorded in Cabinet S, Sheets 5 - 6, inclusive, of the Map Records of Montgomery County, Texas.

Section 22. "Waterfront Lot" shall mean and refer to any Lot fronting on Lake Conroe.

ARTICLE II
Restrictions, Exceptions and Dedications

The Subdivision Plat dedicates for use, subject to the limitations set forth therein, the streets and easements shown thereon, and such Subdivision Plat further establishes minimum setback lines applicable to the Property. All dedications, limitations, restrictions, and reservations shown on the Subdivision Plat are incorporated and made a part hereof as if fully set forth herein, and shall be construed as being adopted in each and every contract, deed, or conveyance executed, conveying said property or any part thereof, whether specifically referred to therein or not.

Section 1. Utility Easements.

(a) All Lots are subject to the utility easements shown on the Subdivision Plat or designated in these Restrictions.

(b) No building shall be located over, under, upon or across any portion of any utility easement; however, the Owner of each Lot shall have the right to construct, keep, use and maintain driveways and similar improvements across the utility easements located on the front of the Lot and/or along the side of corner Lots adjacent to street right-of-ways.

(c) With the prior written approval of the Committee, the Owner of each Lot also shall have the right to construct, locate, keep and maintain driveways, walkways, steps, air conditioner units and equipment over, across or upon any utility easement along the side of such Lots (the "Side Lot Utility Easement") and shall be entitled, at all times, to cross, have access to and use the Improvements located thereon; however, any such improvements placed upon such Side Lot Utility Easement by the Owner shall be constructed, maintained and used at Owner's risk and the location of such improvements shall not impede the natural flow of water across the Lot. The Owner of each Lot subject to said Side Lot Utility Easements shall be responsible for (i) any and all repairs to the driveways, walkways, steps, air conditioner units and equipment which cross or are located upon such Side Lot Utility Easements caused by the any utility company or cable television company in the course of installing, operating, maintaining, repairing, or removing its facilities located within the Side Lot Utility Easements.

(d) In no event shall any Owner construct, keep, maintain or use driveways, walkways, steps, air conditioner units, equipment and improvements upon any utility easements located along the rear of any Lot.

(e) In addition to the utility easements shown on the Subdivision Plat, there is hereby dedicated a five foot (5') wide electric service line easement, extending from the surface of the ground downward, and said easement being two and one-half (2 1/2) feet on each side of underground electric service lines as now or hereafter constructed and will extend along the route selected by the electric utility company serving the Subdivision (the "Company's") from such company distribution facilities to the electric meter when and as located upon Lots and Reserves in the Subdivision. The Company shall have the right to excavate said Lot easement strip, and to remove objects, structures, growth or protrusions thereon.

(f) The Owner of each Lot shall indemnify and hold harmless Declarant, public utility companies and the cable television company having facilities located over, across or under utility easements from any loss, expense, suit or demand resulting from injuries to persons or damage to property in any way occurring, incident to, arising out of, or in connection with said Owner's installation, maintenance, repair or removal of any permitted Improvements located within utility easements. Neither Declarant nor any utility company or cable television company using the easements herein referred to shall be liable for any damages done by them or their assigns, their agents, employees or servants to fences, shrubbery, trees, flowers or any other real or personal property or Improvements of the Owner situated on the easement.

Section 2. Roads and Streets. The roads and streets in the Subdivision are dedicated as public county roadways and streets.

Subject to the terms and conditions of this Section, the roads and streets in the Subdivision as shown on the Subdivision Plat are hereby dedicated as utility easements strictly for the purpose of constructing, operating, maintaining or repairing a system(s) of electric lighting, electric power, telegraph and telephone lines, gas lines, sewers, water lines, storm drainage (surface or underground), cable television, or any other utilities that the Declarant sees fit to install (or permit to be installed) in, across and/or under the Property.

Declarant reserves the right, during installation or paving of the streets, to enter onto any Lot or Lots for the purpose of disposing of excavation or for the removal of trees, if necessary.

ARTICLE III **Use Restrictions**

Section 1. Land Use and Building Type. All Lots shall be restricted in use and shall be used for residential purposes only except as outlined in Section 2 herein. No structure shall be erected, altered, placed or permitted to remain on any Lot other than one (1) single family dwelling with a detached or an attached fully enclosed garage for not less than two (2) nor more than three (3) cars. The garage will be available for parking automobiles at all times without any modifications being made to the interior of said garage. Such garage shall be constructed at the same time as the dwelling and act as an integral part of the residential structure, constructed with the same design, color and materials as the residence. Occupancy of the dwelling shall not be authorized until the garage is complete. The Residential Dwelling shall not exceed a height of thirty-five (35) feet. The height shall be measured from where the highest point of the natural grade of the Lot abuts the structure, except where the slab must be elevated above the natural grade to achieve minimum slab elevation as required by the Committee. In this situation, the height shall be measured from the minimum slab elevation established by the Committee. A detached garage shall not exceed one story in height, however, if a bona fide servants quarters is constructed above the garage, the total height will not exceed the main dwelling in height or number of stories. No garage or servant's quarters or other permitted structure shall be erected or built on any Lot until construction of the Residential Dwelling has commenced. All construction must be completed within 180 days after construction commences.

No garage may open to the rear of a Waterfront Lot unless otherwise approved by the Architectural Control Committee. All detached garages where permitted in this Article must be attached to the main residence with a covered walk with a minimum width of six (6) feet. Garages placed on corner lots may face the side street and shall be located no closer to the side lot line than the minimum side lot building setback line as shown on the Subdivision Plat.

As used herein, the term "Residential Purposes" shall be construed to prohibit the use of said Lots for garage apartments or apartment houses; and no Lot shall be used for business or professional purposes of any kind except as outlined in Section 2 herein, nor for any commercial or manufacturing purpose. Each lot improvement thereon shall be used only as a single family residence. The rental of a dwelling for occupancy as a residence shall not be construed as a business. No building of any kind or character shall be moved onto any Lot within said Properties without written permission of the Architectural Control Committee; however, no Residential Dwelling shall be moved onto any Lot within said Properties. The use of a tent, house trailer, travel trailer, camper, mobile home, manufactured home, or motor home, either as a weekend, temporary or permanent residence is prohibited.

Section 2. Residences shall be allowed to have one room designated as a home office. The intent of this restriction is to allow for a home business that is converted to a computer/modem based technology. It is further understood that this restriction is not to be construed to permit any Lot, Residential Dwelling or other structure to be used for retail/consumer oriented business that would encourage or increase street traffic.

Section 3. Carports. Carports may be utilized and built only in addition to the required garage. The carport must be an integral part of the residential structure and constructed with the same design, color and materials as the Residential Dwelling. Only motor vehicles, as identified in Section 22 of this Article, shall be parked or stored in a carport.

All residences built on interior lots shall have side loading garages. Front loading garages shall have a portico or porte co-chere attached. Porticos or porte co-cheres attached to front loading garages shall be constructed with a minimum width of six (6) feet unless otherwise approved by the Architectural Control Committee. Rear or detached garages do not apply.

Section 4. Architectural Control. No Improvement shall be erected, placed, repaired or altered on any Lot until the construction plans and specifications and a plot plan showing the location of the Improvement thereon have been approved by the Architectural Control Committee. Plans shall be reviewed with respect to harmony with the existing structures, design, color, location with respect to topography and finished grade elevation and compliance with minimum construction standards provided for herein. The Committee is authorized to grant variances if the variance is reasonable and if the structure is not inconsistent with the general scheme and harmony of the development.

Section 5. Dwelling Size. The minimum square footage of the total living heated area of the main Residential Dwelling, exclusive of open porches, garages, carports, and servant quarters shall be as follows:

One story Residential Dwellings shall contain not less than 2,200 square feet. The ground floor area of one and one-half story or two story Residential Dwellings shall contain not less than 1,500 square feet, and the total living area of one and one-half story or two story Residential Dwellings shall contain not less than 2,200 square feet.

Section 6. Type of Construction Materials and Landscaping.

(a) Unless otherwise approved by the Committee, Residential Dwellings, garages and carports shall be of eighty (80%) percent masonry construction or its equivalent on its exterior wall area (front, back and side elevations must meet the eighty (80%) percent requirement). Masonry includes stucco, brick and stone. Hardy plank is an approved siding but is not considered to be masonry therefore, it is not a substitute for the eighty (80%) percent masonry requirement.

(b) All roofing material used on any building in any part of the Properties must be approved by the Committee. All roofing material must be applied in accordance with the manufacturer's specifications. No cedar shingle roofs shall be permitted in the Subdivision.

(c) Landscape plans must be approved by the Committee before work commences. All yards shall be landscaped, with the landscaping to be completed within three (3) months after the residence is occupied with solid sod minimum.

(d) All roof ventilation (other than ridge ventilators) shall be located to the rear of the roof ridge line and/or gable of any structure and shall not extend above the highest point of such structure, so as not to be visible from any street. The Committee shall have the right to approve exceptions to the foregoing in cases where energy conservation and heating/cooling efficiency require ventilators that, because of the particular roof design, cannot be hidden from view.

Roof vents, vent stacks, galvanized roof valleys and other roof items must be painted to match the roof materials. Galvanized roof valleys must be primed before being painted to insure the prevention of peeling.

(e) No exterior windows shall be permitted on that side of the residential dwelling that faces a side boundary line with no building setback line.

Section 7. Building Location. No Residential Dwelling, garage, carport, or structure, or any part thereof shall be located on any Lot nearer to the front or rear Lot line or nearer to the side

Lot line than the minimum building lines as shown on the Subdivision Plat. Eaves, steps and open porches shall not be considered as a part of the building. No portion of any Residential Dwelling, including eaves, gutters, garage, carport or structure shall encroach upon another Lot.

The Committee may approve deviations or grant variances of the building location requirements provided the variance or deviation does not alter the scope and intention of these Restrictions. The Owner shall make a written request to the Committee for a variance or deviation.

On Waterfront Lots, an arbor or other out-building or structure which has been approved by the Committee may be constructed beyond the rear building line. Said arbor, out-building or structure shall contain no more than five hundred (500) square feet and be no less than ninety percent (90%) open in its total wall surfaces unless otherwise approved by the Committee. All materials used in constructing any outbuilding or other such structure shall be in harmony with the main residence.

Any Owner of one or more adjoining Lots, with the written permission of the Committee, may merge such Lots into one building site with the privilege of placing or constructing improvements on such resulting site, in which case side setback lines shall be measured from the resulting side property lines rather than the Lot lines as indicated on the Subdivision Plat and such composite building site shall thereupon be regarded as a "Lot" for the purposes of this Article III, Section 7 only.

Section 8. Slab Requirements. All building foundations shall consist of concrete slabs, unless the Committee approves a different type of foundation when circumstances, such as topography of the Lot, make it impractical to use a concrete slab on all or any portion of the foundation of the building improvements constructed on the Lot. The finished slab elevation for all structures shall be above 207 feet mean sea level, and also shall be above the 100 year flood plain as established by Commissioner's Court of Montgomery County, Texas, the Montgomery County Engineers Office, and other applicable governmental authorities. All residential foundations/slabs for all Lots in the Subdivision must be a minimum of eight inches above finished grade of the Lot at the foundation perimeter. The Committee does not determine whether the structural integrity of the slab is adequate. A structural engineer must be consulted on these matters and foundation plans must be submitted to the Architectural Control Committee along with the required set of plans and specifications for all proposed construction. Sufficient soil investigation should be obtained for proper slab design. The Committee may make deviations in the above foundation requirements provided such deviations do not alter the scope and intent of the restrictions.

Form surveys (prepared by a Registered Surveyor in the State of Texas) must be provided prior to pouring foundation. This survey shall show finished slab elevations and that the structure will not violate any lot lines, building set back lines or easements.

Section 9. Annoyance or Nuisances. No noxious or offensive activity shall be carried on upon any Lot nor shall anything be done thereon which may become an annoyance or nuisance to the neighborhood. No exterior speaker, horn, whistle, bell or other sound device, except security and fire devices used exclusively for security and fire purposes, shall be located, used or placed on a Lot. Activities especially prohibited include, but are not limited to the following:

- (a) The performance of work on automobiles or other vehicles upon the Lot or in driveways or streets abutting Lots except as permitted in Section 24 of this Article.
- (b) The use or discharge of firearms, firecrackers or other fireworks within the Properties.
- (c) Storage of flammable liquids in excess of five gallons.
- (d) Activities which may be offensive by reason of odor, fumes, dust, smoke, vibration or pollution which are hazardous by reason of excessive danger, fire or explosion.

Section 10. Temporary Structures. No structure of a temporary character, whether motor home, trailer, recreational vehicle, travel trailer, mobile home, manufactured home, basement, tent, shack, garage, barn, storage building, or other outbuilding shall be maintained or used on any Lot at any time as a residence, or for any other purpose, either temporarily or permanently; provided however, that Declarant reserves the exclusive right to erect, place and maintain such facilities in or upon any portion of the Properties as in its sole discretion may be necessary or convenient while selling Lots, selling or constructing residences and constructing other Improvements upon the Properties. Such facilities may include, but not necessarily be limited to, sales and construction offices, storage areas, and signs. Portable toilet facilities shall be placed at the construction site of all Residential Dwellings.

Section 11. Signs and Billboards. No signs, billboards, posters, or advertising devices of any character shall be erected, permitted or maintained on any Lot or plot without the express written consent of the Association. All signs, billboards, posters and other advertising devices shall conform to the Committee's predetermined sign policy. The Association, Declarant or their agents shall have the right to remove any sign not complying with the above referenced policy and in so doing, shall not be liable and are expressly relieved from any liability for trespass or other tort in connection therewith or arising from such removal. The right is reserved by Declarant and its designated agent to construct and maintain such signs, billboards or advertising devices as is customary with the general sale of property. Such sign or billboard shall not be more than two feet by three feet in size advertising the property for sale or rent, or signs used by a builder or manufacturer to advertise the property during the construction and sale period. No "For Sale" signs shall be permitted on unimproved Lots. "For Sale" signs on Lots with a Residential Dwelling thereon shall be subject to such rules and regulations as to size, type and design as established by the Association.

Section 12. Oil and Mining Operations. No water drilling, oil drilling or development operation, 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 or in any Lot. No derrick or other structure designed for use in boring for water, oil, or natural gas shall be erected, maintained or permitted upon any Lot.

Section 13. Storage and Disposal of Garbage and Refuse. No Lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste materials shall not be kept except in sanitary containers constructed of metal, plastic or masonry materials with sanitary covers or lids. Equipment for the storage or disposal of such waste materials shall be kept in clean and sanitary condition. No Lot shall be used for the open storage of any materials whatsoever, which storage is visible from the street, except that new building materials used in the construction of improvements erected upon any Lot may be placed upon such Lot at the time construction commences and may be maintained thereon for a reasonable time, so long as the construction progresses without undue delay, until the completion of the improvements, after which these materials shall either be removed from the Lot or stored in a suitable enclosure on the Lot.

Section 14. Electric Distribution System. Only underground electrical service shall be available for Lots and no above surface electric service wire shall be installed outside of any Residential Dwelling or other structure. Declarant may allow overhead service lines on the perimeter boundary of the Subdivision. It is required that individual underground electrical service drops be installed to each Residential Dwelling. The Owners of each Residential Dwelling will therefore comply with the Company's policy regarding such underground service installations, and the Owners do hereby agree to pay any charges which might be incurred for the installation of the underground service as set forth in the Company's policy. The Company's policy is subject to change as set forth in the Company policy. The Owners shall ascertain the location of said service drops and keep the area over the route of said service drops free of excavations and clear of structures, trees and other obstructions; and the Company may install, maintain, repair, replace and remove said underground service drops, and open the ground for any such purpose or purposes; and no payment will be due or made by any utility for such use or activity.

Declarant hereby reserves the right to grant upon, across and over each Lot an easement and license along the perimeter boundaries of each Lot to the width of three feet measured from each

boundary of each Lot, protruding from each boundary into the interior portion of each Lot, for the purpose of erection, construction, maintenance, repairs and the continuous placement of an electrical lighting system throughout the Property. This reserved right is expressly reserved on behalf of and for the benefit of Declarant and any public utility company, including but not limited to the Company. This reserved right includes expressed right of Declarant and each public utility company to clear, grade and remove such obstructions including, but not limited to, trees, brush and other landscaping that the Declarant or the public utility company deems necessary in order to effectuate the construction, erection, maintenance and continuance placement of the electrical lighting system hereby contemplated. Declarant further reserves hereby, unto itself and to any such public utility company, the expressed right to enter upon any Lot for the purpose of construction, installation, maintenance, repair and continuous placement of the electrical lighting contemplated hereunder and to remove any obstruction as might exist within this designated area, and such shall not be deemed to be trespass in any respect to the rights of the Owner of the Lot. Each Owner, by acceptance of a Deed to a Lot in the Properties, does acknowledge the existence of this reserved right and the rights hereunder created, such right being for the expressed benefit of each other Lot in the Properties. Neither Declarant nor any utility company acting under the easement license or rights referred to herein shall be liable for any damages done by themselves or their assigns, agents, employees or servants to any fences, shrubbery, trees, flowers or any other property of the Lot Owner situated on the property covered by this easement and license.

Section 15. Screening Easements. Various Lots located adjacent to Teel Road are subject to the Screening Easement shown on the Subdivision Plat and as referenced in Article I, Section 19 above. The Screening Easement is intended to create a buffer zone and barrier between the Subdivision and Teel Road. The Screening Easement and any fence, wall or other barrier now or hereafter located thereon shall be under the exclusive control of the Association and shall be maintained and repaired by and at the expense of the Association. Trees, bushes, brush, grass and other vegetation located within the Screening Easement shall be left undisturbed unless clearing is required for utility easements. The Owner or occupant of any Lot that is subject to the Screening Easement shall grant reasonable access for clearing and installation of utilities.

Section 16. Nature Preserves. The trees, bushes, brush, grass and other vegetation located within the Nature Preserves (as shown on the Subdivision Plat and/or as referenced in Article I, Section 12 above) shall be left undisturbed unless (i) clearing is required for utility easements, or (ii) the Committee, in its sole discretion, permits the clearing of such Nature Preserves. Any such permission by the Committee must be in writing. In the event of a violation of this restriction, in addition to any other remedies provided in this Declaration or by law, the Association may require the Owner of the Lot to replace the trees and vegetation in the Nature Preserves.

Section 17. Views to and from Lake Conroe. Views to and from Lake Conroe are encouraged so that each view can become a positive addition to the environment of the Properties. Except for approved trees, no view obstruction plant material greater than two (2) feet in height shall be permitted on any Waterfront Lot beyond the rear building line. It is not the intent of these restrictions to remove any existing trees from the Property. The removal of existing trees from Lots must be approved by the Committee.

Section 18. Walls, Fences and Hedges. All walls, fences and hedges must be approved by the Committee. Except as otherwise provided herein, no walls or fences shall be erected or maintained nearer to the front of any Lot than the front of the Residential Dwelling constructed on the Lot, or, on corner lots, nearer to the side Lot line than the side Lot building line parallel to the side street as shown on the Subdivision Plat.

Except as otherwise provided herein, all walls and fences on Waterfront Lots must be of ornamental iron construction and shall be black in color and of a design that conforms to the Committee's predetermined plan for such fences. The Committee may grant variances upon written request by the Owner. Pilasters which are in harmony with the main residential structure shall be used in conjunction with all ornamental iron fences. A small patio which is an integral part of the Residential Dwelling may be enclosed with a fence or wall.

All walls and fences of interior lots may be of ornamental iron, masonry or wood construction as approved by the Committee. All wooden fences shall be constructed of material to be approved by the Committee. All wooden fences exposed to view from the street shall be built so that the finished side faces the street. No wooden fences over forty-two (42) inches are allowed where views to Lake Conroe would be hindered except as approved by the Architectural Control Committee on interior Lots only.

No chain link fences shall be erected, placed or permitted to remain on any Lot. No fence shall be installed which will impede the natural flow of water across the Lot. The Declarant may construct fencing of any size, height, shape, form or materials at the entrance to the Subdivision.

Ownership of any wall, fence or hedge erected as a protective screening on a Lot shall pass with title to the Lot, and it shall be the Owners' responsibility to maintain said protective screening thereafter. In the event of default on the part of the Owner or occupant of any Lot to maintain said protective screening and such failure continuing after ten days written notice thereof, the Association, at its option, without liability to the Owner or occupant in trespass or otherwise, may, in its discretion, enter upon said Lot and cause said protective screening to be repaired or maintained or do any other thing necessary to secure compliance with these restrictions, so as to place said protective screening in a satisfactory condition and may charge the Owner or occupant of such Lot for the cost of such work. The Owner or occupant, as the case may be, agrees by the purchase or occupancy of the Lot to pay such statement immediately upon receipt thereof, and all such payments by the Association, shall, likewise, be secured by a Vendor's Lien for the benefit of the Association in the same manner as the maintenance charges payable in accordance with Article VII herein. Plans and specifications shall be submitted as in the case with other structures.

Section 19. Mailboxes. The Declarant or the Committee, as the case may be, shall have the right to designate the exclusive design, motif and materials for mail boxes within the Properties and may at its option purchase such items in bulk and resell them to each Owner at cost. Otherwise all mailboxes shall be built of the same material as the home.

Section 20. Utilities. Improvements situated on a Lot shall be connected to the water and sewer lines as soon as practical after same are available at the property line. No privy, cesspool or septic tank shall be placed or maintained upon or in any Lot. All telephone, electric cable or other service lines shall be installed underground.

Section 21. Views, Obstructions and Privacy. In order to promote the aesthetic quality of "view" within the Subdivision and particularly the views of Lake Conroe, the Committee shall have the right to review and approve any item placed on a Lot including, but not limited to the following:

- (a) The location of all windows and the type of proposed window treatments and exposed window coverings, provided however, that no exterior windows shall be allowed on that side of the Residential Dwelling that faces a side boundary line with no building setback line;
- (b) The probable view from second story windows and balconies and decks (particularly where there is a potential invasion of privacy to an adjoining neighbor);
- (c) Sunlight obstructions;
- (d) Flagpoles, flags, pennants, ribbons, streamers, wind sock and weather vanes;
- (e) Exterior storage sheds;
- (f) Fire and burglar alarms which emit lights and sounds;
- (g) Children playground or recreational equipment;
- (h) Exterior lights;
- (i) Ornamental statuary, sculpture and/or yard art visible from a street or common area excluding those which may be a part of an otherwise approved landscape plan;
- (j) The location of the Residential Dwelling on the Lot; and
- (k) The size, location and color of satellite dishes and antennas.

Prohibited Items. The following items are prohibited on any Lot:

- (a) Clotheslines, reels, hanging circles and other exterior clothes drying devices;
- (b) Above ground swimming pools;
- (c) Window unit air conditioners;
- (d) Signs (except for certain "For Sale" signs);
- (e) Storage of more than five (5) gallons of fuel outside of regular vehicle gas tanks;
- (f) Unregistered, unlicensed, or inoperable motor vehicles; and
- (g) Roof top solar collectors.

Section 22. Lot/yard Maintenance. The yards of all Lots shall require written approval of the Committee. The Owners or occupants of all Lots shall at all times keep all weeds and grass thereon cut in a sanitary, healthful and attractive manner and shall in no event use any Lot for storage of materials and equipment except for normal residential requirements or incident to the construction of improvements as herein permitted. The accumulation of garbage, trash or rubbish of any kind and no burning is permitted. The Owners or occupants of any Lots at the intersection of streets or adjacent to the Lake Conroe, parks, playgrounds or other facilities where the rear yard or portion of the Lot is visible to full public view shall construct and maintain suitable enclosure to screen the following from public view; yard equipment, wood piles or storage piles which are incident to the normal residential requirements of a typical family. Each Owner shall allow reasonable rights of entry for maintenance in the "0" Lot line or commons areas that adjoin their Lot.

In the event of default on the part of the Owner or occupant of any Lot in observing the above requirements or any of them, such default continuing after ten (10) days written notice thereof, the Association or their assigns may, at their option, without liability to the Owner or occupant in trespass or otherwise, enter upon said Lot and cause to be cut such weeds and grass and remove or cause to be removed such garbage, trash and rubbish or do any other thing necessary to secure compliance with these restrictions so as to place said Lot in a neat, attractive, healthful and sanitary condition and may charge the Owner or occupant of such Lot for the cost of such work. The Owner or occupant agrees by the purchase or occupancy of the Property to pay such statement immediately upon receipt thereof, and all such payments shall be made to the Association in the same manner as the Maintenance Charges.

The digging of dirt or the removal of any dirt from any Lot is expressly prohibited except as may be necessary in conjunction with the landscaping of or construction on such Lot. Unless otherwise approved by the Committee, no trees larger than eight (8) inches in diameter shall be cut or removed except to provide room for construction of Improvements, or prevent a hazard to the structural integrity of the slab or to remove dead or unsightly trees. However, all trees within fifty (50) feet of the waterfront shall be trimmed of all limbs eight (8) feet from the base of the tree.

During the construction of a residence, the Owner is required to remove and haul all trees, stumps, limbs, branches, and debris from the Lot. Declarant, during the construction of the water, sewer, drainage facilities and streets may burn and dispose by other methods of trees, stumps, underbrush and other trash cleared during the construction process, and the Declarant may enter upon any Lot or Lots for the purposes of disposing of excavation or for the removal of trees as necessary.

No Owner or contractor may enter upon the Lot adjacent to the one on which he is building for the purpose of ingress or egress to his Lot during or after construction unless such adjacent Lot is also owned by such Owner or such Owner has written approval from the adjacent Lot Owner. Such approval must be furnished to the Committee. All adjacent Lots shall be kept free of any trees, underbrush, trash, rubbish and/or any other building debris during construction of improvements.

Section 23. Motor Vehicles. No unlicensed or inoperative motor vehicles shall be allowed within the Subdivision. No motor bikes, motor cycles, motor scooters, "go-carts", or other similar vehicles shall be permitted to be operated on the Properties, if, in the sole judgment of the Association, such operation, for reason of noise or fumes emitted, or by reason of manner of use, shall constitute a nuisance or jeopardize the safety of the Owners, their tenants and their families.

Section 24. Storage and Repair of Automobiles, Boats, Trailers and other Vehicles.

No motor vehicles shall be parked or stored on any part of any Lot, easement, right-of-way, street or any other area unless such vehicle is concealed from public view inside a garage or other approved enclosure, except passenger automobiles, passenger vans or pickup trucks that: are in operating condition; have current license plates and inspection sticker; are in daily use as motor vehicles on the streets and highways of the State of Texas; and which do not exceed six (6) feet, six (6) inches in height or seven (7) feet, seven (7) inches in width or twenty-one (21) feet in length, may be parked in the driveway on such Lot. No non-motorized vehicle, trailer, boat, marine craft, hover craft, aircraft, machinery or equipment of any kind may be parked or stored on any part of any Lot, street, easement, right-of-way, or any other area unless such object is concealed from public view inside the garage or other approved enclosure. The term "approved enclosure" shall mean an enclosure that has been previously approved by the Committee. Owners, visitors and guests are encouraged not to park vehicles in the streets of the Subdivision.

No repair work, dismantling or assembling of motor vehicles or other machinery or equipment shall be done or permitted on any street, driveway, or any portion of the Properties. This restriction shall not apply to any vehicle, machinery, or maintenance temporarily parked and in use for the construction, repair or maintenance of the Subdivision facilities or of a house or of any other structure. No Owner of any Lot or visitor or guest of any Owner, occupant or resident shall be permitted to perform work on automobiles or other vehicles in driveways or streets other than work of a temporary nature.

Section 25. Antennas and Satellite Dishes. No electronic antenna or device for receiving or transmitting any signal or any type other than an antenna for receiving normal marine signals from a water craft located on Lake Conroe shall be erected, constructed, placed or permitted to remain on any Lot, house, garage or other buildings unless otherwise approved by the Committee. All marine radio antennas must be attached to the main residential structure. Only one antenna per Lot shall be permitted. In all cases, no antenna shall be erected as a free standing or guide structure. No antenna of any style shall be permitted on the Lot which extends more than ten (10) feet above the roof of the main residential structure on said Lot. The Committee's decision shall be final.

Unless approved by the Committee, no satellite dish may be maintained on any portion of any Lot outside the building lines of said Lot. A satellite dish may not exceed twenty-four inches (24") in diameter. All satellite dishes must be mounted below the roof line and located on the rear or side of the Residential Dwelling, but not the front thereof. All dishes shall be of one solid color of black or earth tones of brown, gray, or tan. No multicolored dishes shall be permitted. No advertising or the printing of names of any type shall be permitted. No more than one satellite dish shall be permitted on each Lot. No transmitting device of any type which would cause electrical or electronic interference in the neighborhood shall be permitted. Architectural approval is required prior to the installation of any satellite dish. The Association shall have the right to seek the removal of any device that was installed without first obtaining written approval or any dish that violates these restrictions.

Section 26. Animals. No horses, cows, hogs, poultry, livestock or animals of any kind other than domestic household pets may be kept on any Lot. A maximum of two (2) dogs and cats (i.e., 2 dogs or 2 cats or 1 dog and 1 cat) may be kept on a Lot. Should such pets become a nuisance in the opinion of the Association, they must be removed from the premises and the Properties. No pets shall be allowed to run at large. The commercial raising or selling of pets is strictly prohibited.

Section 27. Drainage. Each Owner of a Lot agrees that he will not in any way interfere with the established drainage pattern over his Lot from adjoining Lots or other Lots in the Subdivision. Any changes necessary in the established drainage pattern must be included on the Owners plans and specifications when submitted to the Committee. Such drainage plans shall be subject to the Committee's approval. Each Owner agrees that he will take all necessary steps to provide for additional drainage of his Lot in the event it becomes necessary. Established drainage shall be defined as drainage that exists at the time the Declarant completes drainage.

In the event of construction on any Lot, the Owner must provide a drainage plan to the Committee for approval. Such plans must include the use of gutters and downspouts on the "0" Lot

line side of any improvements constructed on any Lot. No pockets or low areas may be left on the Lot where water will stand following a rain or during normal yard watering. With the approval of the Committee, an Owner may establish an alternate drainage plan for low areas by installing underground pipe and area inlets or other such methods as approved by the Committee.

Any fill placed on a Lot must have silt fencing or other erosion preventative measures so that no erosion or silting will occur. If erosion or silting should occur, the Owner must take appropriate measures to correct the condition within thirty (30) days of notice from the Association. Such measures shall include the removal of silt from adjoining properties or from Lake Conroe.

Section 28. Concrete Curb/Driveway Maintenance. The Owner or occupant shall at all times keep his entrance lip, driveway curbs, curb ties, and curbs along the street adjacent to his property in a good state of repair and attractive in appearance. In the event of any default by the Owner or other occupant of a Lot in observing the above requirements, which default is continuing after thirty (30) days' written notice thereof to the Owner or occupant, as applicable, the Association or its designated agents may at its option, without liability to the Owner or occupant in trespass or otherwise, enter upon said Lot and make such repairs as deemed necessary by the Declarant or the Association to ensure compliance with this declaration, so as to place such driveway entrance items and street curb in a good state of repair and attractive appearance and may charge the Owner or such Lot for the cost of such work. Such charge, together with interest thereon at the highest rate permitted by applicable laws from the date due until paid and all costs of collection, including reasonable attorney's fees, shall be secured by a Vendor's Lien for the benefit of the Association, which is hereby retained against each Lot in the Subdivision, which lien shall only be extinguished by payment of such sum. Said lien shall be deemed subordinate to the lien or liens of any bank, insurance company or other institutional lender, which hereafter lends money for the purchase of the Lot or for the construction (including improvements) and/or permanent financing of improvements on such property.

During construction, all vehicle access over curbs shall be by wood ramps; no dirt ramps will be allowed. Concrete curbs that are chipped, cracked or broken during the construction of Improvements are to be repaired or replaced by the Builder-Owner or Owner of the Lot prior to occupancy of the Residential Dwelling thereon. Chipped curbs may be repaired with an "epoxy grout" mixture. Where several chipped curbs appear in the same area, the entire section of curb (i.e., driveway to driveway) must be overlaid with the "epoxy grout" mixture. Cracked or broken curbs shall be saw cut on both sides of the crack or break, the cracked or broken area removed, reformed and poured "using five sack concrete mix" to match existing curb.

Section 29. Driveways. Driveways may be built of brick, stone, concrete, or other materials approved by the Committee. No asphalt driveways shall be permitted. All concrete driveways shall be constructed with quality grade concrete, four and one-half (4 1/2) sack cement per cubic yard and be reinforced with a minimum of #6, 6" X 6" welded wire mesh. Driveway widths shall be a minimum of nine (9) feet. If more than one driveway is constructed on a common Property, such driveways shall be separated by a minimum distance of at least twenty (20) feet. Driveways shall be constructed so as to prevent normal street flooding from entering upon the adjoining property accessed by the driveway. The Committee shall have the right to approve the location of the driveway on the Lot. Driveways connecting into Subdivision streets shall be saw cut when constructing the concrete driveway. An expansion joint shall be installed at each saw cut and at the property line. Any repairs to the curb made necessary because of the driveway shall be made during construction.

Section 30. Walkways/Sidewalks. No walkways or sidewalks shall be constructed across the front of any Lot nor across the side of any corner Lot. Walkways may be constructed from the street adjacent to the front of the Lot to the front entrance of the Residential Dwelling constructed on the Lot.

Section 31. Swimming Pools. No swimming pool may be constructed on any Lot without the prior written consent of the Committee. Two sets of plans and specifications for the proposed pool shall be submitted to the Committee including a plot plat showing the location and dimensions of the pool and related improvements together with the plumbing and excavation disposal plan. All

swimming pools on Waterfront Lots shall be located no nearer to the bulkhead than fifteen (15) feet. Swimming pools on Interior Lots shall be located no nearer to the rear lot line than fifteen (15) feet. Swimming pool drains shall be piped into the Lake, storm sewer or the street in front of the Lot. In no case shall the street curb be broken or cut to facilitate a pool drain without the prior written approval of the Committee. Excavation required for swimming pools shall be hauled from the site to a place outside of the Subdivision.

Section 32. Subdivision/Combination of Lots. No Lot in the Subdivision shall be divided or resubdivided. With written approval of the Committee, two (2) or more entire Lots may be combined for the sole purpose of establishing a single building site for one (1) Residential Dwelling. In such event, the building set back lines shall be adjusted accordingly. When two (2) or more entire Lots are so combined with the Committee's approval, the resulting building site shall become a "Lot" for all purposes under this Declaration, with the result that the building site thereafter shall be subject to only one (1) annual maintenance charge and the Owner shall have only one (1) vote attributable to the resulting building site. However, adjoining or contiguous Lots shall not be deemed a single building site unless written approval therefore is obtained from the Committee. The Committee shall not approve the combination of two (2) or more Lots as a single building site unless the Residential Dwelling and/or other Improvements associated therewith (excluding a fence) are located or are to be located on each Lot comprising the building site. Unless two (2) or more entire Lots have been approved by the Committee as a single building site, each Lot shall be subject to a separate annual maintenance charge and the Owner of such Lots shall have one (1) vote for each such Lot owned.

ARTICLE IV

Special Restrictions for Waterfront Lots

Section 1. Permitted Structures in Lake Conroe; Committee Approval Required. Except as specifically permitted in this Article, no structure whatsoever shall be permitted which projects beyond the Lot line into Lake Conroe, nor shall any boat slip or other Improvement be constructed between the waters of Lake Conroe and the setback lines shown on the Subdivision Plat. Declarant has caused to be constructed "low profile" docks, boat slips, and/or piers on certain lots in the Subdivision and/or in Lake Conroe adjacent to certain Lots. No other dock, boat slip, pier or other such structure shall be permitted without the express written consent of the Committee, which consent may be granted or withheld in the sole discretion of the Committee. No existing dock, boat slip, pier or other such structure may be altered, modified or rebuilt without the written consent of the Committee. Requests to construct, alter, modify or rebuild any such structure shall be in writing to the Committee and must be accompanied with complete plans and specifications and conform to the "low profile" concept. The Committee shall act upon such request as with other structures.

Section 2. Ownership and Responsibility of Maintenance of Bulkheading, Docks, Etc. Ownership of any dock, pier, boat slip, or bulkheading installed on a Lot (including but not limited to any bulkheading installed by the Declarant) shall pass with title to the Lot, and it shall be the Owner's responsibility to maintain such dock, boat slip, boat cover and bulkheading thereafter. In the event of default on the part of the Owner or occupant of any Lot in maintaining said items and such failure continuing after ten (10) days written notice thereof, the Association, at its option, without liability to the Owner or occupant in trespass or otherwise, may, in its discretion, enter upon said Lot and cause said items to be repaired or maintained or do any other thing necessary to secure compliance with these Restrictions so as to place said item in a satisfactory condition and may charge the Owner or occupant of such Lot for the cost of such work. The Owner or occupant, as the case may be, agrees by the purchase or occupancy of the Lot to pay such statement immediately upon receipt thereof and all such payments by the Association shall, likewise, be secured by a Vendor's Lien for the benefit of the Association in the same manner as the maintenance charges payable in accordance with Article VII hereof.

Section 3. Approval by Governmental Authorities. In addition to being approved by the Committee, all plans for all docks and boat slips must be approved in writing by the San Jacinto River Authority and any other governmental agencies having jurisdiction.

ARTICLE V
Architectural Control Committee

Section 1. Approval of Improvement Plan. No Improvement shall be erected, placed or altered on any Lot until the construction plans and specifications and a plot plan showing the location of the Improvement have been approved in writing by the Architectural Control Committee.

A copy of the construction plans and specifications and a plot plan, together with such other information as may be deemed pertinent, shall be submitted to the Committee or its designated representative prior to commencement of construction. Failure on the part of the Committee to act within sixty (60) days following the date of submission of the required plan and specification shall constitute approval. The Committee may charge a reasonable fee to cover the administrative expense of its review and comment, such fee to be payable the Architectural Control Committee. A form survey prepared by a registered surveyor in the State of Texas shall be submitted to the Committee prior to pouring the foundation of any building or other Improvement that is to be erected, placed or altered on any Lot.

Section 2. Committee Membership. For a period of three (3) years after this Declaration is filed for record in the Real Property Records of Montgomery County, Texas, the Declarant, in its sole discretion, shall appoint the members of the Committee, which will consist of three (3) members, none of whom shall be required to be Owners or residents of the Subdivision. During such period, the Committee shall and will act independently of the Property Owner's Association. Upon the expiration of such three (3) year period (or at such earlier time as Declarant shall determine), the Committee shall be appointed by and act under the authority of the Association, and after such date, all members of the Committee must be Owners.

Section 3. Replacement. Until the expiration of the three (3) year period referenced in Section 2 above, in the event of death, resignation or removal of any member or members of said Committee, the Declarant shall appoint its successor member or members, and until such successor member or members shall have been so appointed, the remaining member or members shall have full authority to approve or disapprove plans, specifications and plot plans. After such three (3) year period (or sooner if Declarant shall so determine), the Association shall make such appointments.

Section 4. Minimum Construction Standards. The Committee may from time to time promulgate an outline of minimum acceptable construction standards; provided, however, that such outline will serve as a minimum guideline and may be amended from time to time.

Section 5. Disclaimer. No approval of plans and specifications and no publication or designation of architectural standards shall ever be construed as representing or implying that such plans or specifications will result in a properly designed structure or satisfy any legal requirements.

Section 6. Non-Liability for Committee Action. No member of the Committee, the Association Board of Directors, their successors or assigns, or the Declarant shall be liable for any loss, damage or injury arising out of or in any way connected with the performance of the duties of the Committee. The Committee's approval of any Improvement shall not be construed as approval of the Improvement from the standpoint of safety, whether structural or otherwise, or a determination of compliance with building codes or other governmental laws or regulations.

ARTICLE VI
Falcon Sound
Property Owners Association

Section 1. Formation and Purpose. The Declarant shall cause a property owners association to be organized and formed as a non-profit corporation under the laws of the State of Texas. The purpose of the Association in general shall be to provide for and promote the health, safety, and welfare of the members, to collect the maintenance charges, to administer the maintenance fund, to provide for the maintenance, repair, preservation, upkeep and protection of open spaces, common properties, storm water detention facilities, street lighting, and other facilities

of the Subdivision, to perform all functions conferred upon property owners associations by applicable law and such other purposes as are stated in the Articles of Incorporation or Bylaws and consistent with the provisions of these restrictions and all supplemental or amended restrictions. To this end the Association shall have all of the powers and authority set out in its Articles of Incorporation and/or Bylaws, including, but not limited to, all of the powers and authority of property owners associations as provided in Chapter 202 and Chapter 204 of the Texas Property Code.

Section 2. Membership; Voting; Board of Directors. The Property Owners Association shall consist of all the Owners of Lots in the Subdivision, including any other sections which subsequently may be developed on adjacent land. The name of the Association shall be Falcon Sound Property Owners Association. Each Lot Owner from all sections shall be a member of such Association and, except for Declarant, entitled to one (1) vote for each Lot owned. The Declarant shall be a member of the Association if it owns legal title to any Lot in the Subdivision which has not been conveyed to a third party by Deed or Contract for Deed. Subject to the provisions of the Association's Articles of Incorporation and/or Bylaws, the Declarant shall be entitled to three (3) votes for each Lot owned. The Association shall be governed by a Board of Directors, and the Declarant shall name and select the initial members of the Board of Directors. The initial Board of Directors shall serve for a term of three (3) years and thereafter until each successor is duly elected and qualified. Thereafter, the Board of Directors shall be selected in the manner and for the terms provided in the By-Laws of the Association.

Section 3. By-Laws; Rules and Regulations. The Association may adopt such By-Laws, Rules and Regulations as it deems appropriate consistent with these restrictions.

Section 4. Failure to Form Association. If, for any reason, the Declarant shall fail to form the Association within one (1) year of the date on which this Declaration is recorded, any Owner within the Subdivision may cause such Association to be formed and the initial Board of Directors shall be elected by a majority vote of the Lot Owners within the Subdivision.

ARTICLE VII **Maintenance Charges**

Section 1. Maintenance Charge; Use of Maintenance Fund. Each Lot shall be subject to an annual maintenance charge to be used for the purpose of maintaining any open spaces and common areas, maintenance and installation of streets, paths, parks, pathways, esplanades and vacant lots, lighting, fogging, employing, security personnel and workmen, paying ad valorem taxes on all common areas, cost of administration of the fund and other purposes necessary or desirable in the opinion of the Administrator of such fund to maintain or improve the Properties or which it is considered to be of general benefit to the Owners or occupants of the Property covered by these restrictions. Such fund may also be used for the purpose of enforcement of all covenants and restrictions of this section or subsequent sections of the Subdivision. The amount of the maintenance charge shall be set by the Administrator of the fund from time to time, subject to the limitations contained herein.

Declarant shall collect and maintain control over the maintenance fund and administer same until all of the Lots in the Subdivision are sold by Deed or Contract or until July 1, 2005, whichever comes first, or at any earlier time if Declarant so elects, at which time the right to collect the maintenance fees and maintain control over the maintenance fund shall be transferred to the Association. After transfer, no association, group, corporation, individual or entity other than the Association formed pursuant to these restrictions shall be authorized to collect the maintenance fees or to administer the maintenance fund.

The initial maintenance charge shall be \$360.00 per year. The maintenance charge shall be paid annually in advance by January 1 of each year. The maintenance charge will not accrue against any Lot in which the legal and/or equitable title is vested in Declarant, notwithstanding that a Lot may have been previously sold by a Deed or Contract and title thereto reverted back to Declarant. The Association may adjust the annual charge pursuant to the By-laws or the Rules and Regulations of the Association. At the option of the Administrator, interest on past due charges shall accrue at

the highest rate allowable by law from date of delinquency. The payment of such maintenance charges shall be secured by a Vendor's Lien to insure payment of such maintenance charge in accordance with the provisions of law. In the event it becomes necessary to employ legal counsel to collect past due maintenance charges, the delinquent Lot Owners shall be responsible for reasonable attorney's fees and other reasonable costs incurred in such collection efforts including all costs of court in any legal proceeding. No owner may waive or otherwise escape liability for the maintenance charge provided for herein by non-use of any common areas or abandonment of his Lot.

The Administrator of the fund shall have the sole discretion as to how such money shall be used to comply with the provisions of this Article. During all times that Declarant is the Administrator of such fund it shall maintain the proceeds in an account separate and apart from all other accounts of Declarant and shall keep accurate records of all receipts and disbursements. In the event Declarant is compelled to advance its own funds to defray expenses of maintenance of the facilities and properties to be maintained by the fund, Declarant shall be entitled to repayment from the fund.

Section 2. Enforcement of Maintenance Fee Collection. Each such assessment not paid when due shall incur, at the option of the Administrator, a late fee of Twenty Five (\$25.00) Dollars or ten percent (10%) of the amount due, whichever is greater. Each such assessment and late fee, if not paid when due, and interest at the highest legal rate permitted by Texas law together with costs of collection, including reasonable attorneys fees, shall be the personal obligation of the Owner against whom they were assessed and shall be secured by a lien as provided herein. To secure the payment of the maintenance charge established hereby and to be levied on individual Lots, together with all interest, late charges attorney fees and collection costs, there shall be reserved in each Deed (whether specifically stated therein or not) by which the Declarant shall convey such Lots, a Vendor's Lien for the benefit of the Administrator of the fund, whether Declarant or the Association. Each such lien shall be secondary, subordinate, and inferior to the lien or liens of Declarant or any bank, insurance company or other institutional lender, which hereafter lends money for the purchase of the Lot or for the construction (including Improvements) and/or permanent financing of Improvements on such property. **Each Owner, by his acceptance of a Deed expressly vest in the Administrator and its agents the right and power to bring all actions against such Owner personally for the collection of such assessments and charges as a debt and to enforce the lien by all methods available for the enforcement of such liens, including foreclosure by a judicial action brought in the name of the Administrator in a like manner as a mortgage or deed of trust lien foreclosure on real property, and such Owner also expressly grants to the Administrator a power of sale and non-judicial foreclosure in connection with the lien. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the commons area or abandonment of his Lot.**

Section 3. Term of Maintenance Fees. The above maintenance charges and assessments, as adjusted from time to time by the Administrator, will remain effective for the full term (and extended terms) of these restrictions.

Section 4. Collection after Default by Purchaser. It is specifically stated and agreed that if any Lot is sold to persons or entities by the Declarant by contract for sale of land, or Deed with lien and note, or other instrument and the purchaser defaults in the contract or note payments in any manner and said Lot is repossessed, foreclosed, or such contract canceled by Declarant, its successors or assigns, the Association will release its right to collect the past due maintenance charges, assessments and penalties on such Lots from the Declarant. Nothing herein contained shall relieve the purchaser in default from whom the Lot was repossessed from his personal obligation to pay such delinquent charges, assessments and penalties to the Association.

ARTICLE VIII **General Provisions**

Section 1. Term. These Covenants and Restrictions shall run with the land and shall be binding upon all parties and persons claiming under them for a period of forty (40) years from the date these Covenants are recorded, at which time said Covenants and Restrictions shall be

automatically extended for successive periods of ten (10) years each, unless, during such forty (40) year initial term or any such ten (10) year extension, an instrument signed by a majority of the then Owners of the Lots has been recorded agreeing to change or terminate these Covenants and Restrictions; PROVIDED HOWEVER, no such change shall be permitted during the first two (2) years after the execution date of this Declaration without Declarant's express written consent.

Section 2. Enforcement. The Association, the Architectural Control Committee or any Lot Owner is authorized to prosecute proceedings at law or in equity against any person or persons violating or attempting to violate these Covenants and Restrictions and to prevent him or them from doing so and/or to recover damages or other dues for such violations. The Declarant also reserves the right (but shall have no obligation) to enforce these restrictions. Notwithstanding any provision to the contrary contained in this Declaration, the Declarant's, Architectural Control Committee's and Association's collection of maintenance assessments and enforcement of the covenants and restrictions set out in this Declaration shall be pursuant to and in accordance with the relevant provisions of the Texas Property Code and other applicable law and nothing herein shall be construed as authorizing any enforcement procedures or other action by the Declarant, Architectural Control Committee and Association in contravention of any such Property Code provisions or other applicable law.

Section 3. Severability. Invalidation of any one of these Covenants and Restrictions by judgment other court order shall in no way affect any of the other provisions.

Section 4. Corrected Plats. Until the time a Lot within the Subdivision is transferred by the Declarant to another (other than Builder/Owner, an affiliate of the Declarant, or a holder of a first mortgage on the entire Property), no Owner of any Lot or residential unit shall have any rights whatsoever to the continuation of any covenants, conditions or restrictions on the Properties as contained herein or as may be imposed, expressly or impliedly, by recordation of any plat or as might otherwise be implied or expressed. In furtherance thereof, until the time a Lot within the Subdivision is transferred by the Declarant, as aforementioned, the Declarant may revoke or cancel any plat or other instrument which might be deemed, either expressly or impliedly, to impose any covenants, conditions or restrictions or may take whatever steps it deems necessary or desirable to avoid the implication of such existing.

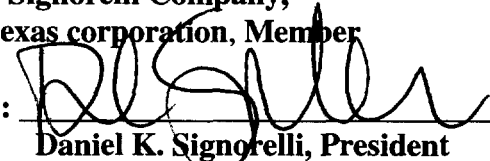
Section 5. Correction of Scrivener's Errors by Declarant. Declarant reserves the right at all times, without the joinder of any Owner or other person owning an interest in any of the Properties, to amend these Restrictions, for the purpose of correcting any inadvertent errors in form, grammar or other ministerial or scrivener's errors.

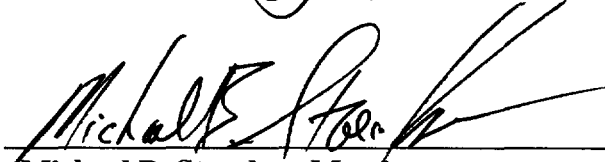
EXECUTED this 1 day of May, 2002.

**FALCON SOUND ON THE LAKE, LTD.,
a Texas limited partnership**

**By: FALCON SOUND OPERATING COMPANY, LLC,
It's General Partner**

**By: The Signorelli Company,
a Texas corporation, Member**

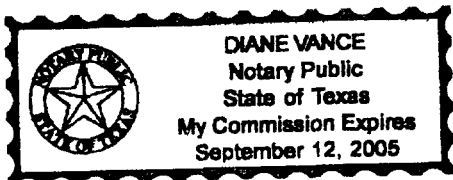
By: 
Daniel K. Signorelli, President

By: 
Michael B. Stoecker, Member

STATE OF TEXAS §

COUNTY OF MONTGOMERY §

BEFORE ME, the undersigned authority, on this day personally appeared Daniel K. Signorelli, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was signed by him, as President and on behalf of The Signorelli Company, a Texas corporation, as a Member and on behalf of Falcon Sound Operating Company, LLC, a Texas limited liability company, as General Partner and on behalf of Falcon Sound on the Lake, Ltd., a Texas limited partnership, and that the same was the act of the said entities as stated, and that he executed the same as the act of such entities for the purposes and consideration therein expressed, and in the capacity therein stated.

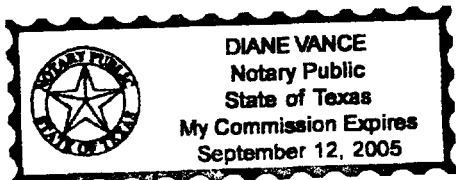



Notary Public, State of Texas

STATE OF TEXAS §

COUNTY OF MONTGOMERY §

BEFORE ME, the undersigned authority, on this day personally appeared Michael B. Stoecker, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was signed by him, as a Member and on behalf of Falcon Sound Operating Company, LLC, a Texas limited liability company, as General Partner and on behalf of Falcon Sound on the Lake, Ltd., a Texas limited partnership, and that the same was the act of the said entities as stated, and that he executed the same as the act of such entities for the purposes and consideration therein expressed, and in the capacity therein stated.




Notary Public, State of Texas

FILED FOR RECORD

2002 MAY -3 AM 9: 07

Mark S. Turball
COUNTY CLERK
MONTGOMERY COUNTY TEXAS

STATE OF TEXAS
COUNTY OF MONTGOMERY
I hereby certify this instrument was filed in
File Number Sequence on the date and at the time
stamped herein by me and was duly RECORDED in
the Official Public Records of Real Property at
Montgomery County, Texas

MAY - 3 2002



Mark Turball
County Clerk
Montgomery County, Texas