

Rockwall County
Paulette Burks
County Clerk
Rockwall, Texas 75087 (972) 882-0220



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Parties: FLAGSTONE CREEK

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(Parties listed above are for Clerks reference only)

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1505 Summer Lee Drive
Rockwall TX 75032



Paulette Burks
Rockwall County Clerk

DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR

FLAGSTONE CREEK

THE STATE OF TEXAS)
) KNOW ALL MEN BY THESE PRESENTS
COUNTY OF ROCKWALL)

THIS DECLARATION of COVENANTS, CONDITIONS AND RESTRICTIONS for FLAGSTONE CREEK, made on the date hereinafter set forth by Rockwall Hall Parkway Lots, L.P., a Texas limited partnership, for the purpose of evidencing the covenants, conditions and restrictions contained herein.

W I T N E S S E T H:

WHEREAS, Declarant (defined herein) is the owner of certain real property in the City of Rockwall, Rockwall County, State of Texas and more particularly described on Exhibit "A" attached hereto and made a part hereof (the "Property").

WHEREAS, Declarant desires to create an exclusive residential community to be known as Flagstone Creek on the Property and such other property as may be added thereto pursuant to the terms and provisions of this Declaration;

NOW, THEREFORE, Declarant hereby declares that all of the Property described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the real property. These easements, covenants, restrictions and conditions shall run with the real property and be binding on all parties having or acquiring any right, title or interest in the above described Property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of Declarant and each Owner (defined herein) thereof.

ARTICLE I

DEFINITIONS

1.1 ASSOCIATION. "Association" shall mean and refer to the FLAGSTONE CREEK HOMEOWNERS ASSOCIATION, INC., a Texas non-profit corporation established for the purposes set forth herein, its successors and assigns.

1.2 AREAS OF COMMON RESPONSIBILITY. "Areas of Common Responsibility" shall mean any common areas in the Development or easement areas benefiting the Development as shown on the Subdivision Plat, and such other improvements, if any including entrance monuments and signs, all as designated by the Board of Directors of the Association for the preservation, protection and enhancement of the property values and the general health, safety or welfare of the Owners, which include without limitation the following areas as shown on the Subdivision Plat: (a) the rights to maintain the improvements in the two medians in Flagstone Creek Blvd. including the one with the subdivision monument entry feature, (b) the trails, park space, open space, natural area and other greenbelt areas, (c) the detention and retention pond, (d) the 20 foot landscape easement along the western boundary of the Development, and (e) the 5 foot wall easement in the southeast corner of the Development.

1.3 DECLARANT. The term "Declarant" shall mean and refer to Rockwall Hall Parkway Lots, L.P., a Texas limited partnership, its successors and assigns.

1.4 CITY. "City" shall mean the City of Rockwall, Rockwall County, Texas.

1.5 HOME OR RESIDENCE. "Home" or "Residence" shall mean a single-family residential unit constructed on a Lot being a part of the Property, including the parking garage utilized in connection therewith and the Lot upon which the Home is located.

1.6 LIENHOLDER. "Lienholder" or "Mortgagee" shall mean the holder of a first mortgage lien, either on any Home and/or any Lot.

1.7 LOT. "Lot" shall mean and refer to a portion of the Property designated as a Lot on the Subdivision Plat of the Property, excluding common area lots, streets, alleys and any Area of Common Responsibility. Where the context requires or indicates, the term Lot shall include the Home and all other improvements which are or will be constructed on the Lot.

1.8 MEMBER. "Member" shall mean and refer to every person or entity who holds membership in the Association. The Declarant and each Owner shall be a Member.

1.9 OWNER. "Owner" shall mean and refer to the record Owner, other than Declarant whether one (1) or more persons or entities, of a fee simple title to any Lot and shall include the homebuilder, but shall exclude those having such interest merely as security for the performance of an obligation. However, the term "Owner" shall include any Lienholder or Mortgagee who acquires fee simple title to any Lot which is a part of the Property, through deed in lieu of foreclosure or through judicial or non-judicial foreclosure.

1.10 PROPERTY, PREMISES OR DEVELOPMENT. "Property", "Premises" and/or "Development" shall mean and refer to that certain real property known as FLAGSTONE CREEK, as described on Exhibit "A" hereto.

1.11 SUBDIVISION PLAT. "Subdivision Plat" shall mean or refer to the Final Plat which has been or will be filed with respect to the Property in the Map or Plat Records of Rockwall County, Texas, as same may be amended from time to time.

1.12 BOARD OF DIRECTORS. "Board of Directors" shall mean the board of directors elected by the Association pursuant to its Articles of Incorporation and/or bylaws.

ARTICLE II

FLAGSTONE CREEK HOMEOWNERS ASSOCIATION, INC.

2.1 ESTABLISHMENT OF THE ASSOCIATION. The formal establishment of the Association will be accomplished by the filing of the Articles of Incorporation of Flagstone Creek Homeowners Association, Inc. with the Secretary of State of Texas and the subsequent issuance by the Secretary of State of the Certificate of Incorporation of the Flagstone Creek Homeowners Association, Inc.

2.2 ADOPTION OF BY-LAWS. By-laws for the Association will be established and adopted by the Board of Directors of the Flagstone Creek Homeowners Association.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

3.1 MEMBERSHIP. Declarant, during the time it owns any single family Lot and each person or entity who is a record Owner of a fee or undivided fee interest in any

single family Lot shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No Owner shall have more than one (1) membership. Membership shall be appurtenant to the ownership of each Lot and may not be separated from any ownership of any Lot which is subject to assessment by the Association. Transfer of ownership, either voluntarily or by operation of law, shall terminate such Owner's membership in the Association, and membership shall be vested in the transferee; provided, however, that no such transfer shall relieve or release such Owner from any personal obligation with respect to assessments which have accrued prior to such transfer.

3.2 VOTING RIGHTS. The Association shall have two (2) classes of voting membership:

(a) Class "A". The Class "A" Members shall be all Owners. The Class "A" Members shall be entitled to one (1) vote for each Lot owned. When more than one (1) person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

(b) Class "B". The Class "B" Member(s) shall be Declarant. The Declarant shall be entitled to ten (10) votes for each Lot it owns; provided however, that Declarant shall cease to be a Class "B" member and shall become a Class "A" member entitled to one (1) vote per Lot owned upon the happening of either of the following:

- (i) when the total votes outstanding in the Class "A" membership equals the total votes outstanding in the Class "B" membership, or;
- (ii) upon the expiration of ten (10) years from the recording date of this instrument in the Deed Records of Rockwall County, Texas.

3.3 NO CUMULATIVE VOTING. At all meetings of the Association, there shall be no cumulative voting. Prior to all meetings, the Board of Directors shall determine the total number of votes outstanding and entitled to vote by the Members.

ARTICLE IV

COVENANT FOR ASSESSMENTS

4.1 CREATION OF THE LIEN AND PERSONAL OBLIGATION OF ASSESSMENTS. Each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be expressed in any such deed or other conveyance, covenants and agrees to pay to the Association: (i) annual assessments or charges, and (ii) special assessments for capital improvements. Such assessments (collectively, the "Assessments") are to be fixed, established and collected as provided herein. Assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the Lot and shall be secured by a continuing lien which is hereby created and impressed for the benefit of the Association upon the Lot against which each such Assessment is made. Each such Assessment, together with such interest costs and reasonable attorney's fees shall also constitute a personal obligation of the person or entity who was the record Owner of such Lot at the time of the Assessment. The personal obligation for delinquent Assessments shall not pass to successors in title unless expressly assumed by such successors, however the lien upon the Lot shall continue until paid.

4.2 PURPOSE OF ASSESSMENTS. The Assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the Owners of the Lots, the improvement and maintenance of the Areas of Common Responsibility, and the performance and/or exercise of the

rights and obligations of the Association arising hereunder. Assessments shall include, but not be limited to, funds to cover actual Association costs for all taxes, insurance, repair, replacement, maintenance and other activities as may from time to time be authorized by the Board of Directors; legal and accounting fees, and any fees for management services; expenses incurred in complying with any laws, ordinances or governmental requirements applicable to the Association or the Property; reasonable replacement reserves and the cost of other facilities and service activities, including, but not limited to, mowing grass, grounds care, sprinkler system, landscaping, and other charges required or contemplated by this Declaration and/or that which the Board of Directors of the Association shall determine to be necessary to meet the primary purpose of the Association, including the establishment and maintenance of a reserve for repair, maintenance, taxes and other charges as specified herein.

4.3 BASIS AND MAXIMUM OF ANNUAL ASSESSMENT'S.

(a) Until January 1, 2008, the regular maximum annual Assessment shall be \$250.00 per Lot and the annual Assessment shall be \$250.00 per Lot unless decreased by the Board of Directors or increased as provided in subsection (b) below. The annual Assessment shall be due for each Lot at the time it is sold by Declarant to an Owner, and it shall be prorated for the remaining partial year after each such sale for the subject Lot.

(b) From and after January 1, 2008, the maximum regular annual assessment may be increased by an amount up to ten percent (10%) over the preceding year's regular annual assessment solely by the Board of Directors. Any increase over and above 10% of the previous year's regular annual assessment shall be done only by the prior written approval of sixty-six and two-thirds percent (66 2/3%) of the outstanding votes (determined pursuant to Section 3.2 hereof) held by the Members at a meeting at which a quorum is present.

4.4 SPECIAL ASSESSMENTS. In addition to the regular annual Assessment authorized above, the Association may levy, in any assessment year, a Special Assessment applicable to that year only, for the purpose of defraying, in whole or in part, the costs incurred by the Association pursuant to the provisions of this Declaration, provided that any such Special Assessment shall have the prior written approval of sixty-six and two-thirds percent (66 2/3%) of the outstanding votes (determined pursuant to Section 3.2 hereof) held by the Members at a meeting at which a quorum is present. Any Special Assessments shall be prorated based on the period of time the Owner owns the Lot during such year.

4.5 NOTICE AND QUORUM FOR ANY ACTION AUTHORIZED UNDER SECTIONS 4.3 and 4.4. Written notice of any meeting called for the purpose of taking any action authorized under Sections 4.3 and 4.4 hereunder shall be given to all Members not less than ten (10) days nor more than thirty (30) days in advance of such meeting. At such meeting, the presence of Members or of proxies entitled to cast fifty percent (50%) of all the votes entitled to be cast by the Members of the Association shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirements and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting.

4.6 UNIFORM RATE OF ASSESSMENT. Both the regular annual Assessments and Special Assessments shall be fixed at a uniform rate for all single family Lots, and shall commence and be due in accordance with the provisions of Section 4.7 hereof. Each Owner shall pay one hundred percent (100%) of the established Assessment for each Lot he or it owns. Declarant shall pay twenty-five percent (25%) of the established Assessment for each Lot it owns.

4.7 DATE OF COMMENCEMENT OF ANNUAL ASSESSMENTS; DUE DATES.

(a) The obligation to pay regular annual Assessments provided for herein shall commence on the date which the first single family Lot in the

Development is sold by Declarant to an Owner, which is anticipated to be in August, 2006. The Assessments will be due for each Lot on the date it is conveyed by the Declarant to an Owner for the pro rata portion due for the year sold. Otherwise, the Assessments shall be due for each year by February 1st of such year or on such other payment dates as may be established by the Association. Assessments shall be due and payable on an annual basis unless otherwise designated by the Association.

(b) As long as Declarant is a Class "B" Member pursuant to Section 3.2 hereof, Declarant shall pay the deficiency resulting in the event the cost of maintenance exceeds the amount of the Assessments received from the Owners; provided, however, in such event, Declarant shall not otherwise be required to pay Assessments with respect to portions of the Property owned by Declarant; and further, provided, however, in no event shall Declarant be required to pay an amount which is in excess of one hundred percent (100%) of the established Assessment for each Lot it owns. The Declarant shall also be entitled to reimbursement for deficiencies it pays to the extent of funds which become available from subsequently collected Assessments during the time the Declarant is a Class "B" Member. When the Declarant is converted to a Class "A" Member, the Declarant (i) shall no longer be responsible for contributing shortfalls outlined in the preceding sentence but rather, (ii) shall commence making regular annual and Special Assessments pursuant to Sections 4.3 and 4.4 hereof calculated on the number of remaining Lots Declarant then owns.

(c) The annual Assessments for 2006 and 2007 shall be as provided in Section 4.3(a) above unless otherwise adjusted by the Association. Except for 2006 and 2007, the Association shall fix the amount of the annual Assessment at least thirty (30) days in advance of each Assessment year, which shall be the calendar year; provided, however, that the Association shall have the right to adjust the regular annual Assessment upon thirty (30) days written notice given to each Owner, as long as any such adjustment does not exceed the maximum permitted pursuant to Section 4.3 hereof. Written notice of the regular annual Assessment shall be given as soon as is practicable to every Owner subject thereto. The Association shall, upon demand at any time, furnish a certificate in writing signed either by the President, Vice President or the Treasurer of the Association setting forth whether the annual and special Assessments on a specified Lot have been paid and the amount of any delinquency. A reasonable charge may be made by the Association for the issuance of these certificates. Such certificates shall be conclusive evidence of payment of any Assessment therein stated to have been paid.

(d) No Owner may exempt himself from liability for Assessments by waiver of the use or enjoyment of any portion of the Development or by abandonment of his Home.

4.8 EFFECT OF NON-PAYMENT OF ASSESSMENTS; REMEDIES OF THE ASSOCIATION.

(a) All payments of the Assessments shall be made to the Association at its principal place of business in Rockwall County, Texas, or at such other place as the Association may otherwise direct or permit. Payment shall be made in full regardless of whether any Owner has any dispute with Declarant, the Association, any other Owner or any other person or entity regarding any matter to which this Declaration relates or pertains. Payment of the Assessments shall be both a continuing affirmative covenant personal to the Owner and a continuing covenant running with the Property. The Association and Declarant shall be entitled to exercise any rights and remedies permitted hereunder or under applicable law to collect assessments, assess penalties and take any enforcement actions relating to the foregoing, subject, however, to the notice and other requirement of Texas law which may require certain types of notices, hearings and other limitations.

(b) Any Assessment provided for in this Declaration which is not paid when due shall be delinquent. If any such Assessment is not paid within thirty (30) days after the date of delinquency, the Assessment shall bear interest from the date of delinquency, until paid, at the rate of ten percent (10%) per annum or the maximum rate allowed by law, whichever is the lesser. The Association may, at its option, bring an action at law against the Owner personally obligated to pay the same; or, upon compliance with the notice provisions hereof, foreclose the lien against the Lot as provided in Subsection 4.8(d) hereof. There shall be added to the amount of such Assessment the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include said interest and a reasonable attorney's fee, together with costs of action. Each Owner vests in the Association or its assigns, the right and power to bring all actions at law or in equity foreclosing such lien against such Owner, and the expenses incurred in connection therewith, including interest, costs and reasonable attorney's fees shall be chargeable to the Owner in default. Under no circumstances, however, shall Declarant or the Association be liable to any Owner or to any other person or entity for failure or inability to enforce or attempt to enforce any Assessments.

(c) No action shall be brought to foreclose said Assessment lien or to proceed under the power of sale herein provided in less than thirty (30) days after the date a notice of claim of lien is deposited with the postal authority, certified or registered, postage prepaid, to the Owner of said Lot, and a copy thereof is recorded by the Association in the Office of the County Clerk of Rockwall County, Texas, said notice of claim must recite a good and sufficient legal description of any such Lot, the record Owner or reputed Owner thereof, the amount claimed (which may, at the Association's option, include interest on the unpaid Assessment at the maximum legal rate, plus reasonable attorney's fees and expenses of collection in connection with the debt secured by said lien), and the name and address of the Association.

(d) Any such sale provided for above is to be conducted in accordance with the provisions applicable to the exercise of powers of sale in mortgages and deeds of trust, as set forth in Section 51.002 of the Property Code of the State of Texas, or in any other manner permitted by law. Each Owner, by accepting a deed to a Lot, expressly grants to the Association a power of sale as set forth in said Section 51.002 of the Property Code, in connection with the Assessment lien. The Association, through duly authorized agents, shall have the power to bid on the Lot at foreclosure sale and to acquire and hold, lease, mortgage and convey the same.

(e) Upon the timely curing of any default for which a notice of claim of lien was filed by the Association, the officers of the Association are hereby authorized to file or record, as the case may be, an appropriate release of such notice, upon payment by the defaulting Owner of a fee, to be determined by the Association but not to exceed the actual cost of preparing and filing or recording the lien and the release.

(f) The Assessment lien and the right to foreclosure sale hereunder shall be in addition to and not in substitution of all other rights and remedies which the Association and its successors or assigns may have hereunder and by law, including the right of suit to recover a money judgment for unpaid Assessments, as above provided.

4.9 EXEMPT PROPERTY. The following property otherwise subject to the Declarations shall be exempted from the assessments, charge and lien created herein:

- (a) All properties dedicated and accepted by the local public authority and devoted to public use.
- (b) All common areas shown on the Subdivision Plat.
- (c) All Areas of Common Responsibility.

4.10 SUBORDINATION OF THE LIEN TO FIRST MORTGAGES. The lien securing the Assessments provided for herein shall be subordinate to the lien of any first lien mortgage. The sale or transfer of any Lot shall not affect the Assessment lien. However, the sale or transfer of any first lien mortgage, pursuant to a decree of foreclosure or a non-judicial foreclosure under such first lien mortgage or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such Assessments as to payments thereof which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any Assessment thereafter becoming due, in accordance with the terms herein provided.

4.11 MANAGEMENT AGREEMENTS. The Association shall be authorized to enter into management agreements with third parties in connection with the operation and management of the development and the performance of its obligations hereunder. A copy of all such agreements shall be available for review by each Owner. Any and all management agreements entered into by the Association shall provide that said management agreement may be canceled with or without cause and without penalty by either party with thirty (30) days written notice. Any and all management agreements shall be for a term not to exceed one (1) year and shall be made with a professional and responsible party or parties with proven management skills and experience managing a project of this type. The Association may, at its discretion, assume self management of the development by the Association.

4.12 INSURANCE REQUIREMENTS. The Association through the Board of Directors, or its duly authorized agent, shall obtain insurance policies covering the Areas of Common Responsibility and covering all damage or injury caused by the negligence of the Association, any of its employees, officers, directors and/or agents, commercial general liability insurance, directors and officers liability insurance, and such other insurance as the Association may from time to time deem necessary or appropriate.

ARTICLE V

PROPERTY RIGHTS

It is proposed that the Areas of Common Responsibility will be improved only to the extent of landscaping and plantings, including such screening fences and walls as are prudent for security and safety to the Property. As such, the Association shall not, except as the Association may reasonably deem appropriate to comply with applicable laws or to protect the health, safety or welfare of the Properties or the Members, cause (i) any buildings or permanent structures to be constructed within the Areas of Common Responsibility; or (ii) allow any interference or conflict with the natural or planted vegetation or trees in the Areas of Common Responsibility. The foregoing shall not imply any obligation on the part of the Declarant or the Association to provide any particular enhancement to the Areas of Common Responsibility or render the Association in any way responsible for the actions of any Members or other parties on or in connection with the Areas of Common Responsibility, unless such actions are undertaken pursuant to the written instructions of the Association.

ARTICLE VI

ARCHITECTURAL REVIEW COMMITTEE

6.1 BASIS OF APPROVAL; COMMITTEE. No lot grading, building, septic system, fence, wall, parking area, swimming pool, spa, pole, mail box, driveway, fountain, pond, sign, exterior illumination, change in exterior color or shape, new structure or modification of an existing structure, or addition to or extension of an existing structure shall be commenced, erected or maintained upon any Lot or the patio or garage used in connection with any Lot after the purchase of any Lot from Declarant, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the

same are submitted to and approved in writing by the Architectural Review Committee (the "Committee") which shall be composed of three (3) representatives appointed by Declarant (during such time Declarant owns any Lots) and thereafter by the Association.

6.2 PLAN SUBMISSIONS AND APPROVAL PROCEDURE. Plans and specifications shall be submitted to the Committee at least fourteen (14) days prior to the commencement of any construction or modification. The following shall be submitted in duplicate for approval: a site plan showing the entire Lot with existing improvements, proposed lot drainage, floor plan and elevations of all faces of the proposed structure, the design and materials for all fences and a description of all exterior construction materials. A copy of the above described plans and specifications shall be retained by the Committee. The Committee shall review the plans and specifications and notify the Owner in writing of its approval or disapproval. If the Committee fails to approve or disapprove said plans and specifications within fourteen (14) days after the same has been submitted to it, they will be presumed to have been approved by the Committee. Any disapproval shall set forth the elements disapproved and the reason or reasons thereof. The judgment of the Committee in this respect in the exercise of its sole and absolute discretion shall be final and conclusive and the Owner shall promptly correct the plans and specifications (if disapproved) and resubmit them for approval. No construction, alteration, change or modification shall commence until approval of the Committee is obtained. The Committee may approve any deviation from these covenants and restrictions as the Committee, in its sole and absolute discretion, deems consistent with the purpose hereof.

6.3 NO LIABILITY; DEVIATIONS. No member of the Committee shall be personally liable to any Owner for any claims, causes of action or damages arising out of the denial of any submittal or grant of any deviation to an Owner. Future request for deviations submitted hereunder shall be reviewed separately and apart from other such requests and the grant of a deviation to any Owner shall not constitute a waiver of the Committee's rights to strictly enforce the Declaration and the architectural standards provided herein against any other Owner. Approval by the Committee of the plans and specifications or its determination that the completed construction or modification has been constructed in accordance with the plans and specification shall be deemed to be an acknowledgment by the Committee that such are in accordance with these Covenants and Restrictions and such acknowledgment shall be binding against the Owners of the Lots and the Property.

6.4 SELECTION OF COMMITTEE; NO LIABILITY. Until Declarant no longer owns a Lot, as vacancies in the Committee occur by resignation or otherwise, successor members shall be appointed by Declarant. Thereafter, the members of the Committee shall be selected and appointed by the Board of Directors of the Association. In the event that such Directors fail to designate members of the Committee within thirty (30) days after any vacancy appears thereon, then the remaining members of the Committee shall be entitled to appoint a successor to fill any vacancies. Members of the Committee may at any time and without cause, be removed by Declarant, or in accordance with the parameters above, by the Board of Directors of the Association. Neither the Declarant, the Association, the Board of Directors, the Committee nor any employees, officers, directors or members thereof shall be liable for damages or otherwise to anyone submitting plans and specifications for approval or to any Owner affected by this Declaration by reason of mistake of judgment negligence or nonfeasance arising out or in connection with the approval or disapproval or failure to approve or disapprove any plans or specifications. Any errors in or omissions from the plans or the site plan submitted to the Committee shall be the responsibility of the Owner of the Lot to which the improvements relate, and the Committee shall have no obligation to check for errors in or omissions from any such plans, or to check for such plans' compliance with the general provisions of this Declaration, City codes, state statutes or the common law, whether the same relate to Lot lines, building lines, easements or any other issue.

6.5 HOMEBUILDERS. Notwithstanding anything to the contrary contained herein, once a particular set of plans and specifications submitted by a homebuilder

(which for purposes hereof shall be defined as any entity or person in the business of constructing single family residences for the purpose of sale to third parties) has been approved by the Committee or deemed approved, such homebuilder may construct homes on the Properties in accordance with such plans and specifications without the necessity of obtaining subsequent approvals therefore, so long as there are no major material changes in the plans and specifications.

ARTICLE VII

CONSTRUCTION OF IMPROVEMENTS AND USE OF LOTS

7.1 RESIDENTIAL USE. The Property shall be used for single-family residential purposes only. No building shall be erected, altered, placed or permitted to remain on any Lot other than one (1) detached single family residence per Lot, which residence may not exceed two and one-half (2 ½) stories in height and a private garage as provided below.

7.2 GARAGE REQUIRED. Each residence shall have an enclosed, attached garage suitable for parking a minimum of two (2) standard size automobiles, which garage shall conform in design and materials with the main structure. Each garage shall open only to the rear of the Lot if there is an alley. All front entry lots are PROHIBITED from having garage doors that face the street.

7.3 RESTRICTIONS ON RESUBDIVISION. No Lot or combination of Lots shall be subdivided into smaller Lots so as to create more Lots than is described on Exhibit "A" hereto.

7.4 DRIVEWAYS. All driveways shall be surfaced with concrete or similar substance approved by the Committee. Hot-mix asphaltic concrete is prohibited.

7.5 USES SPECIFICALLY PROHIBITED.

(a) Except as expressly approved by the Committee, no temporary structure of any kind shall be erected or placed on any of said property without the approval of the Committee. In no instance shall more than one residence be erected or placed on any one Lot. A builder or contractor approved by the Committee as an authorized builder and/or contractor may have temporary improvements (such as a sales office and/or construction trailer) on a specifically permitted Lot during construction of the residence on that Lot. No building material of any kind or character shall be placed or stored upon the Property until construction is ready to commence, and then such material shall be placed totally within the property lines of the Lot upon which the improvements are to be erected.

(b) No boat, marine craft, hovercraft, aircraft, recreational vehicle, camper, travel trailer, motor home, camper body or similar vehicle or equipment may be parked for storage in the driveway or front yard of any dwelling or parked on any public street on the Property, nor shall any such vehicle or equipment be parked for storage in the side or rear yard of any residence unless properly concealed from public view. No such vehicle or equipment shall be used as a residence or office temporarily or permanently. This restriction shall not apply to any vehicle, machinery or equipment temporarily parked while in use for the construction, maintenance or repair of a residence in the Development.

(c) Trucks with tonnage in excess of one and one-half (1 ½) tons and any commercial vehicle with painted advertisement shall not be permitted to park overnight on the public streets within the Property except those used by a builder during the construction of improvements.

(d) No vehicle of any size which transports flammable, explosive or noxious cargo may be kept on the Property at any time.

(e) No motorized vehicle or similar equipment shall be parked or stored in an area visible from any street except passenger automobiles, passenger vans, motorcycles and pick-up trucks (including those with attached bed campers) that are in operating condition and have current valid license plates and inspection stickers.

(f) No structure of a temporary character, such as a trailer, tent, shack, barn, or other out-building shall be used on the Property at any time as a dwelling house; provided, however, that a builder may maintain and occupy (for the purpose implied), model homes, sales offices and construction trailers during the construction period, but not as a residence. Sales offices and model homes must be approved by the Committee in accordance with the requirements of Article VI.

(g) No oil drilling, oil development operation, oil refining, pooling arrangements, quarrying or mining operations of any kind shall be permitted in or on the Property, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any part of the Property. No derrick or other structure designed for use in quarrying or boring for oil, natural gas or other minerals shall be erected, maintained or permitted on the Property.

(h) No animals, livestock or poultry or birds of any kind shall be raised, bred, or kept on any lot, except that dogs, cats, or other household pets may be kept in reasonable numbers, provided that they are not kept, bred, or maintained for any commercial purpose. It is the purpose of these provisions to restrict the use of the Property so that no person shall quarter on the premises cows, horses, bees, hogs, sheep, goats, guinea fowl, chickens, turkeys, skunks or any other animals that may interfere with the quiet peace, health and safety of the community. No more than four (4) household pets will be permitted on each Lot. Pets must be restrained or confined within the house or in a secure fence area which is designed and built with materials as required herein which are approved by the Committee. It is the pet owner's responsibility to keep the Lot clean and free of pet debris or noxious odors to adjoining Lots. All animals must be properly registered and tagged for identification in accordance with local ordinances.

(i) No Lot or other area of the Property shall be used as a dumping ground for rubbish or accumulation of unsightly materials of any kind, including without limitation, broken or rusty equipment, disassembled or inoperative cars and discarded appliances and furniture. Trash, garbage or other waste shall not be kept except in sanitary containers. All containers for the storage or other disposal of such materials shall be kept in a clean and sanitary condition inside the garage of each residence except on days of pickup. Materials incident to construction of improvements may only be stored on Lots during construction of the improvement thereon.

(j) No individual water supply system shall be permitted on any Lot.

(k) No garage, garage house or other out-building (except for sales offices and construction trailers during the construction period) shall be occupied as a temporary or permanent residence by any Owner, tenant or other person.

(l) No air-conditioning apparatus shall be installed on the ground in front of a residence. No gas or electric meter shall be set nearer a street which is in the front of a Home than the front of the Home or nearer a street which is on the side of a Home than the side of the Home, unless the meter is of an underground type or unless the location is otherwise approved in writing by the Committee.

(m) Except with the written permission of the Committee, no antennas, satellite dishes or other equipment for receiving or sending sound or video signals shall be permitted in or on the Property except antennas for AM or FM radio

reception and UHF and VHF television reception. Such antennas shall be located inside the attic of the main residential structure except that, with the written permission of the Committee, one (1) satellite dish or similar antenna may be placed either (i) in the rear yard of a Lot so long as it is completely screened from view from any adjacent street or other public area or (ii) if of a compact type that is made to mount on a Home, at a location on the Home which is not visible to a street which fronts or sides such Home. The Committee shall be the sole determinant as to the acceptable placement of such satellite dish.

(n) No Lot or improvement thereon shall be used for a business, professional, commercial or manufacturing purposes of any kind. No business activity shall be conducted on the Property that is not consistent and compatible with single family residential purposes. No noxious or offensive activity shall be undertaken on the Property, nor shall anything be done which is or may become an annoyance or nuisance to the Properties. Nothing in this subparagraph shall prohibit a builder's temporary use of a residence as a sales/construction office for so long as such builder is actively engaged in construction on the Property. Nothing in this subparagraph shall prohibit an Owner's use of a residence for quiet, inoffensive, non-intrusive activities (such as tutoring, art and music lessons and/or professional counseling) so long as no signage advertising such service is displayed on the Property and such activities do not materially increase the number of cars parked on the street or interfere with adjoining Owners' peaceful use and enjoyment of their residences and yards.

(o) No fence, wall, hedge or shrub planting which obstructs sight lines at an elevation between three (3) and eight (8) feet above the roadway shall be placed or permitted to remain on any corner Lots within the triangular area formed by the street right-of-way lines and a line connecting them at points twenty (20) feet from the intersection of such street right-of-way lines, or in the case of a rounded property corner, twenty (20) feet from the intersection of the street right-of-way lines as extended. Similar sight-line limitations shall apply on any Lot for that area that is ten (10) feet from the intersection of a street right-of-way line with the edge of a residence driveway. No tree shall be permitted to remain within such restricted plantings area unless the foliage line is maintained at a minimum height of eight (8) feet above the adjacent ground line.

(p) Except for children's playhouses (which shall have a maximum peak roof line of twelve (12) feet and maximum coverage area of 200 square feet), dog houses and gazebos which have been approved in writing by the Committee, no building previously constructed elsewhere shall be moved onto any Lot, it being the intention that only new construction be placed and erected on the Property. The design, materials and location for all gazebos and patio covers will be subject to approval of the Committee, and such structures shall be constantly maintained by the Owner thereof in first-class condition.

(q) Within the easements on each Lot, as designated on the Subdivision Plat of the Development, no improvement, structure, planting or materials shall be placed or permitted to remain which might damage or interfere with the installation, operation and maintenance of public utilities, or which might alter the direction of flow within surface or subsurface drainage channels or drainage easement areas or which might obstruct or retard the flow of water through surface and subsurface drainage channels or drainage easement areas.

(r) The general grading, slope and drainage plan of a Lot as established by the approved Development plans may not be materially altered without the written approval of the Committee and/or the City (where such authority rests with the City).

(s) No sign of any kind or character shall be displayed to the public view on any Lot except for one (1) professionally fabricated sign of not more than six (6) square feet advertising the property for rent or sale, or signs used by an approved builder to advertise the property during its construction and sales period.

Declarant or its agents shall have the right to remove any sign, billboard or other advertising device that does not comply with the above, and in so doing shall not be subject to any liability for trespass, or any other tort arising in connection therewith from such removal, nor in any way be liable for any accounting or other claim by reason of the disposition thereof. Development related signs owned and erected by the Declarant shall be permitted.

- (t) Outdoor clothes lines and drying racks are prohibited.
- (u) Except within fireplaces in the main residential dwelling and proper equipment for outdoor cooking, no burning of anything or open fires shall be permitted anywhere on the Property.
- (v) No chain link or wire fencing will be permitted.
- (w) No Lot shall be used for, or contain a site for the use of, landing and/or departure of helicopters and similar craft.

(x) No noxious 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. No owner shall do any work that will impair the structural soundness or integrity of another residence or impair any easement or hereditament, nor do any act nor allow any condition to exist which will adversely affect the other residences or their owners. No exterior lighting of any sort shall be installed or maintained on a lot where the light source is offensive or a nuisance to neighboring property (except reasonable security or landscape lighting that has approval of the Committee and does not shine directly upon the property of other owners). No exterior speakers, horns, whistles, bells or other sound devices (except security devices such as entry door and patio intercoms used exclusively to protect the lot and improvements situated thereon) shall be placed or used upon any lot.

(y) The digging of dirt or the removal of any dirt from any lot is expressly prohibited except as necessary in conjunction with the landscaping of or construction on such lot. No trees shall be cut or removed except to provide for the construction of improvements or to remove dead or unsightly trees or unless approved by the Committee.

(z) No Residence or out-building shall be built in any part of a Lot which may be part of a flood plain area as designated on the Subdivision Plat or on the FEMA map for the area which includes the Property.

7.7 MINIMUM FLOOR AREA. The total air-conditioned living area of the main residential structure, as measured to the outside of exterior walls (but exclusive of open porches, garages, patios and detached accessory buildings), shall be not less than Two Thousand (2,000) square feet, with the minimum air-conditioned living area on the ground floor, not less than Two Thousand (2,000) square feet.

7.8 BUILDING MATERIALS. The total exterior wall area ("Exterior Wall") of each residence constructed on a Lot shall not be less than seventy-five percent (75%) brick, brick veneer, stone, stone veneer, or other masonry material approved by the Committee ("Masonry") (but not less than the minimum percentage as established by the City by ordinance or building code requirement). Windows, doors and other openings, are excluded from calculation of total exterior wall area. The roofs of principal and secondary structures which are exposed to public view shall be architectural series quality composition shingle (240 pounds per square or more) and of either a weathered wood color or barkwood color, unless some other material is approved by the Committee. All residences shall have a minimum 5x12 and maximum 12x12 roof pitch on the major portions of the building unless otherwise approved by the Committee.

7.9 OUT-BUILDINGS. Out-buildings shall be constructed only of new materials and shall be erected no closer than 20 feet from the rear of the residential

dwelling. Exteriors, including the roofs shall be constructed of the same materials as the residence and must be approved by the Committee. All Out-Buildings shall not be less than 75% masonry unless otherwise approved by the Committee. These buildings shall be of a permanent type built on concrete slab or other Architectural Committee approved foundation and shall not exceed Two Hundred Eighty (280) square feet in size and shall not be greater than twelve (12) feet in height or exceed one story. Extensions or additions to the main dwelling and swimming pool cabanas are subject to individual review and approval by the Committee in its sole discretion, which structures may be denied.

7.10 SIDE LINE AND FRONT LINE SETBACK REQUIREMENTS. No dwelling shall be located on any Lot nearer to the front lot line than the minimum setback lines shown on the Subdivision Plat, most of which have specific higher minimum setbacks than the City standard setback. No dwelling shall be located nearer the side lot lines than 6 feet. The dwelling shall be located no further behind the front building line than ten (10) feet.

7.11 WAIVER OF FRONT SETBACK REQUIREMENTS. With the written approval of the Committee, a residence structure may be located farther back from the front property line of a Lot than provided in Paragraph 7.10 above, where, in the opinion of the Committee, the proposed location of the structure will not negatively impact the appearance or value of the Property or adjacent Lots.

7.12 FENCES AND WALLS. No fence or wall on any Lot shall extend nearer to any street than the front of the residence thereon. Any fence or portion thereof that faces a public street shall be constructed so that all structural members and support posts will be on the side of the fence away from the street and are not visible from such street right-of-way. A six (6) foot (height) wood fence shall be installed on all homesites, encompassing the back yard. Lots that back to greenbelt areas may install a 4' wrought iron fence or wood fence except along the playground and lake. Lots backing to the playground and lake must be 4' wrought iron at the rear, which is the standard style and color selected by the Declarant.

7.13 SIDEWALKS. All walkways along public rights-of-ways shall conform to the minimum property standards of the City. Sidewalks are required along with leadwalks from the street to the entry of the home. J-swing lots can have the driveway serve as the leadwalk.

7.14 MAILBOXES. Mailboxes shall be of a design and specification as meets the standards of the U.S. Postal Service, and shall be constructed of masonry of the same type as the main dwelling structure and as approved by the Committee.

7.15 CHIMNEY FLUES. Chimney stacks on front exterior walls that are visible from the street shall be enclosed One Hundred Percent (100%) in brick or masonry of the same type as the main dwelling structure. Chimney stacks on the sides and rear of the dwellings will be constructed of siding to match the rest of the home.

7.16 WINDOWS. Window jambs and mullions on all residences shall be of anodized aluminum or wood materials. All windows on any front elevation of a residence shall have baked-on painted aluminum divided light windows (no mill finish).

7.17 LANDSCAPING. Landscaping of each Lot shall be completed within ten (60) days after the dwelling construction is completed, subject to extension for delays caused by inclement weather or for seasonal planting limitations. Minimum landscaping requirements for each Lot shall include grass (and/or similarly approved ground covering) for the front, back and side yards. Also, the entire front of each residence shall be landscaped with trees, shrubs and plants within 60 days after the residence is substantially complete.

7.18 LAWN MAINTENANCE. Grass and all other landscaping shall be maintained in a neat and attractive manner and in accordance with such requirements as the Committee may from time to time specify in writing to the Owners from time to time.

7.19 CONSTRUCTION COMPLETION. With reasonable diligence and in all events within nine (9) months from the commencement of construction, unless completion is prevented by war, labor strike or an act of God, any residential dwelling commenced on any lot shall be completed as to its exterior, and all temporary structures shall be removed. Out-buildings shall be completed within two (2) months.

7.20 BASKETBALL EQUIPMENT. Basketball goals, backboards and nets shall not be permitted upon any lot without prior written approval by the Committee. No basketball goals, backboards and nets shall in any case be located closer to the street than the front building line.

7.21 POOL EQUIPMENT. Above ground pools are expressly prohibited. All pool service equipment shall be fenced and located in either (a) a side yard between the front and rear boundaries of the dwelling, or (b) in the rear yard adjacent to the dwelling; and shall not be visible from any residential street.

7.22 EROSION CONTROL. During construction of improvements and prior to landscaping, reasonable measures will be taken to prevent excessive erosion of lots, causing silt to be deposited in the streets and in the storm drainage system. Protection can be by retaining walls, berm, hay bales or other means suitable for each individual Lot. The initial Builder in the Development (the "Builder") will be responsible for all maintenance of the SWPPP plan for the neighborhood so long as it continues to purchase Lots, provided any other party that buys a Lot and builds on it will be responsible for such maintenance with respect to its Lot.

7.23 BUILDING SPECIFICATIONS. The Builder and each Owner is to be aware that there is an approved Planned Development "PD-54" that is and ordinance by the City for the subdivision. The Builder and each Owner is responsible for knowing the PD-54 building requirements and also the applicable Subdivision Regulations for building in the community. All City requirements will supercede the deed restrictions if there is a conflict, provided if there are any more stringent requirements herein, the requirements herein must also be met.

7.24 BUILDING PERMITS. The Building Inspector of the City, or other municipal authority, is hereby authorized and empowered to revoke, as the case may be, any and all permits for construction of improvements of any kind or character to be erected or placed on any of the Property, if such improvements do not conform to and comply with the restrictions set out herein.

7.25 RECONSTRUCTION COMPLETION TIME. In the event that residence is partially or totally damaged by fire or other causes, construction or reconstruction of the damaged residence, or portion thereof, must commence within one-hundred twenty (120) days after the occurrence causing the damage. No construction or reconstruction shall commence until plans and specifications have been submitted to the Committee and subsequently approved.

7.26 WAIVER BY THE ARCHITECTURAL REVIEW COMMITTEE. The Committee may, at its discretion, approve construction of a structure lacking not more than 10% of the minimum square footage required by Paragraph 7.7 above, and may waive such other variations from these restrictions as said Committee deems, in its sole discretion, not to be inconsistent with the general tenor and purpose of these restrictions.

7.27 GENERAL MAINTENANCE.

- (a) Following occupancy of the residence on any Lot, each Owner shall maintain and care for the Home, all improvement and all trees, foliage, plants, and lawn areas on the Lot and otherwise keep the Lot and all improvements thereon in good condition and repair and in conformity with the general character and quality of properties in the immediate area. Such maintenance and repair to include but not be limited to: (i) the replacement of worn and/or rotted components; (ii) the regular painting of all exterior surfaces;

(iii) the maintenance, repair and replacement of roofs, rain gutters, downspouts, exterior walls, windows, doors, walks, drives, parking areas and other exterior portions of the Home to maintain an attractive appearance; (iv) regular mowing and edging of lawn and grass areas; (v) drainage easements; and (vi) sanitary sewer septic systems. Upon failure of any Owner to maintain a Lot owned by him in the manner prescribed herein, the Declarant or the Association, or either of them, at its option and discretion, but without any obligation to do so, but only if such non-compliance continues five (5) days after written notice to such Owner, may enter upon such Owner's Lot and undertake to maintain and care for such Lot to the condition required hereunder and the Owner thereof shall be obligated, when presented with an itemized statement, to reimburse said Declarant and/or Association for the cost of such work within ten (10) days after presentment of such statement. This provision, however, shall in no manner be construed to create a lien in favor of any party on any Lot for the cost or charge of such work or the reimbursement for such work.

(b) The Association shall operate, maintain and, when necessary, repair and/or replace the entry features, signs, lighting, landscaping improvements and irrigation systems located in the Areas of Common Responsibility, and each Development entry planting and signage area, and ensure the free flow and integrity of the drainage easements (where such operation and maintenance is not contrary to the requirements and limitations of the City). The landscape and maintenance easements on the Subdivision Plat are reserved in favor of Declarant and the Association for the performance hereunder.

ARTICLE VIII

OBLIGATION TO IMPROVE PROPERTY, RIGHT OF FIRST REFUSAL, AND WAIVER

8.1 OBLIGATION TO IMPROVE PROPERTY. If any Owner of a Lot does not, within twenty-four (24) months after receipt of title to such Lot begin (and thereafter continue to completion) substantial and meaningful construction of a building upon said Lot (which building shall comply with all provisions of this Declaration), the Declarant conveying such Lot or its assignee ("Optionee"), shall have an option to repurchase said lot for a purchase price equal to the purchase price paid by such Owner ("Optionor") for said Lot. The 24-month period runs from the date of the initial sale to an Owner from the Declarant, and any subsequent Owner of the subject Lot must begin construction as required herein within such original 24-month period, without any extension. This option to repurchase must be exercised in writing within twelve (12) months after the expiration of the above-referenced 24-month period. Closing of the repurchase shall take place within ninety (90) days after the exercise of the option to repurchase and shall be held at the office of Optionee or at the office of the title company selected by Optionee. At the closing, Optionee may deem necessary to properly convey title to said Lot to Optionee, its successors and assigns. For the purposes hereof, "substantial and meaningful construction" shall mean the commencement of construction of a component part of the building, such as the laying of a foundation of the building. Such activities as erecting stakes, unloading dirt, and erecting batter boards shall be insufficient activities for these purposes.

8.2 RIGHT OF FIRST REFUSAL. For so long as any Owner has not commenced substantial and meaningful construction upon a lot covered by this Declaration, Declarant shall have the right to repurchase any of such lots upon the terms and conditions set forth in this Paragraph 8.2. In the event such Owner shall receive a bona fide offer for the purchase of any Lot upon which has not already begun such construction of a single family residence, Owner shall either refuse such offer or give Declarant written notice setting out in full the details of such offer, which notice, among other things, shall include a true and correct copy of the offer made to Owner. Upon delivery of the notice with respect to such offer, Declarant shall have the exclusive right and option, exercisable at any time during a period of fifteen (15) days after the date of delivery of such notice, to purchase such lot (or Lots) at the bona fide purchase price per

lot as set forth in the applicable sales contract or other document containing such bona fide offer.

Within fifteen (15) days after the date of the delivery of such notice from Owner, Declarant shall give Owner a written statement indicating whether or not Declarant intends to exercise the option herein granted. Failure to notify Owner within such fifteen (15) day period shall be presumed an election not to exercise the option. If Declarant elects to exercise the option, the sale and purchase shall be closed upon the same date as contained in such bona fide offer; provided, however, in no event shall such closing occur prior to forty-five (45) days after the date of the delivery of such notice from Owner to Declarant, unless Declarant and Owner agree in writing on another date. If Declarant does not elect to exercise such option, Owner shall be free to sell any such Lot (or Lots) upon the terms and conditions set forth in such bona fide offer. Any sale after the failure of Declarant to exercise its option as herein provided must be made strictly upon the terms and conditions and to the person or entity described in such bona fide offer, and any sale to a different person or entity or upon changed terms and conditions shall be subject to the same option and the same notice requirements set forth herein.

8.3 WAIVER OF OBLIGATION TO IMPROVE PROPERTY. The provisions of paragraph 8.1 above may be waived or modified by Declarant as to any Lot purchased by an Owner from such Declarant. In addition, Declarant shall have the right in its discretion from time to time to grant extensions of the said twenty-four (24) month period by written notice of such extension given to any Owner affected thereby.

ARTICLE IX

GENERAL PROVISIONS

9.1 EASEMENTS.

(a) Utility Easements. Easements for the installation, operation and maintenance of all public utilities desiring to use same and for drainage facilities are public utilities desiring to use same and for drainage facilities are reserved for the purposes indicated as shown on the Subdivision Plat. Full rights of ingress and egress shall be had by Declarant, and any bona fide public utility company at all times over the easement areas for the installation, operation, maintenance, repair or removal of any utility together with the right to remove any obstruction that may be placed in such easement that would constitute interference with the use of such easement, or with the use, maintenance, operation or installation of such utility. The Lot Owner is responsible for the maintenance of all drainage and use easements platted as part of the respective lots.

(b) Ingress, Egress and Maintenance, by the Association. Full rights of ingress and egress shall be had by the Association at all times over and upon the Areas of Common Responsibility for the purpose of maintaining the Areas of Common Responsibility as set forth herein.

(c) Police Power Easement. With respect to streets, easements and rights-of-way within the Property, the City of Rockwall and all other government agencies and authorities shall have full rights of ingress, egress and access for personnel and emergency vehicles for maintenance, police and fire protection, drainage and other lawful police powers designed to promote the health, safety and general welfare of the residents within the Property.

9.2 ENFORCEMENT. The Declarant or the Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, these restrictions, conditions and covenants and any reservations, liens and charges nor or hereafter imposed by the provisions of this Declaration, the By-Laws and Articles of Incorporation of the Association. Failure by the Association or by any Owner to enforce any covenant or restriction herein imposed shall in no event be deemed a waiver of the right to do so

thereafter. With respect to any litigation hereunder, the prevailing party shall be entitled to recover reasonable attorneys' fees from the non-prevailing party.

9.3 SEVERABILITY. Invalidation of any one (1) of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

9.4 TERM. The covenants and restrictions of this Declaration shall run with and bind the Property, and shall inure to the benefit of and be enforceable by Declarant (during the time it owns any Lots), the Association, or the Owner of any Lot subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of twenty-five (25) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years, unless by vote, the then Owners of 67% of the Lots agree in writing to terminate or change this Declaration in whole or in part and such writing is recorded in the Real Property Records of Rockwall County, Texas.

9.5 AMENDMENTS. Notwithstanding Section 9.4 of this Article, these Covenants and Restrictions may be amended and/or changed in part as follows:

(a) during the ten (10) year period immediately following the date of recordation of the Covenants and Restrictions with the consent of at least fifty-one percent (51%) of the outstanding votes of each membership class of the Association.

(b) in all other situations, these Covenants and Restrictions may be amended or changed upon the express written consent of at least seventy-five percent (75%) of the outstanding votes of each membership class of the Association.

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

9.6 GENDER AND GRAMMAR. The singular wherever used herein shall be construed to mean the plural when applicable, and such grammatical changes required to make the provisions hereof apply either to corporations or individuals, men or women, in all cases shall be assumed as though fully expressed in each case.

9.7 MANNER OF ENFORCEMENT. Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity, including, without limitation, an action for injunctive relief, it being acknowledged and agreed that a violation of the covenants, conditions and restrictions contained herein could cause irreparable injury to Declarant and/or the other Owners and that Declarant's and/or any Owner's remedies at law for any breach of the Owners' obligations contained herein would be inadequate. Enforcement may be commenced by the Association, the Declarant, or any Owner against any person or persons violating or attempting to violate them, and failure by the Association, the Declarant or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

9.8 NOTICES TO MEMBER/OWNER. Any notice required to be given to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly delivered forty-eight (48) hours after deposited in the United States Mail, postage prepaid, certified or registered mail, and addressed to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

9.9 HEADINGS. The headings contained in this Declaration are for reference purposes only and shall not in any way affect the meaning or interpretation of this Declaration.

9.10 FORMATION OF ASSOCIATION; INSPECTION OF DOCUMENTS, BOOKS AND RECORDS. The Association shall be formed by Declarant as a non-profit

corporation in accordance with the laws of the State of Texas. Management and governance of the Association shall be implemented and/or undertaken in accordance with its Articles of Incorporation, in accordance with this Declaration, and in accordance with the By-laws which shall be adopted by the Association following its formation. The Association shall make available at reasonable cost copies of the Declaration, By-laws, Articles of Incorporation, rules and regulations governing the Association. All minute books, meeting and other records and financial statements of the Association shall be held available for inspection by any Owner or any Mortgagee during normal business hours or at such other reasonable times as the Board of Directors may approve.

9.11 INDEMNITY. The Association shall indemnify, defend and hold harmless Declarant, the Board of Directors, the Committee and each director, officer, employee and agent of Declarant, the Board of Directors and the Committee from all judgments, penalties (including excise and similar taxes), fines, settlements and reasonable expenses (including attorneys' fees) incurred by such indemnified person under or in connection with this Declaration or the Property to the fullest extent permitted by applicable law. Such indemnity to include matters arising as a result of the sole or concurrent negligence of the indemnified party, to the extent permitted by applicable law.

9.12 FHA/VA AND OTHER LENDERS. As long as there remains any Class B membership and any first lien mortgage is in effect with respect to any Lot which is insured by the Federal Housing Administration ("FHA") or the Veterans Administration ("VA") which have special requirements with respect to declarations of covenants, conditions and restrictions like this one or there are any other government related or institutional lenders financing Lots which have special requirements with respect to declarations of covenants, conditions and restrictions like this one, the Declarant may amend this Declaration to add provisions requiring certain actions to be approved by all or part of such lenders with respect to this Declaration or the Lots and to grant such lenders other rights required by their lending programs.

9.13 FAILURE OF ASSOCIATION TO PERFORM DUTIES. Should the Association fail to carry out its duties as specified in this Declaration, the City or its lawful agents shall have the right and ability, after due notice to the Association, to remove any landscape systems, features or elements that are the responsibilities of and cease to be maintained by the Association; to perform the responsibilities of the Association if the Association fails, to do so in compliance with any of the provisions of this Declaration or of any applicable City codes or regulations; to assess the Association for all costs incurred by the City in performing said responsibilities if the Association fails to do so; and/or to avail itself of any other enforcement actions available to the City pursuant to state law or City codes and regulations. Should the City exercise its rights as specified above, the Association shall indemnify and hold harmless the City from any and all costs, expenses, suits, demands, liabilities or damages, including attorney's fees and costs of suit, incurred or resulting from the City's removal of any landscape systems, features or elements that cease to be maintained by the Association or from the City's performance of the aforementioned operations, maintenance or supervision responsibilities of the Association due to the Association's failure to perform said duties. The obligations described in this paragraph are solely obligations of the Association, and no other party, including without limitation, the Declarant or any Owner, shall have any liabilities or obligations in connection therewith.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereto set its hand this the 9th day of August, 2006.

Rockwall Hall Parkway Lots, L.P.
a Texas limited partnership

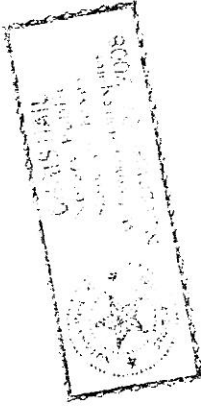
By Sterling One Properties, LLC,
a Texas limited liability company,
its General Partner

By: Russell B. Phillips

Russell B Phillips, managing member

THE STATE OF TEXAS)
)
COUNTY OF ROCKWALL)

This instrument was acknowledged before me on the 19 day of September, 2006 by Russell B Phillips, managing member of Sterling One Properties, LLC, a Texas limited liability company, general partner of Rockwall Hall Parkway Lots, L.P., a Texas limited partnership, on behalf of such company and partnership.



Notary Public In And For
The State of Texas

(Printed Name of Notary)

[SEAL]

My Commission Expires:

EXHIBIT A

LEGAL DESCRIPTION

BEING, A TRACT OF LAND SITUATED IN THE J.D. MCFARLAND SURVEY, ABSTRACT NO. 145, CITY OF ROCKWALL, ROCKWALL COUNTY, TEXAS, AND BEING A PORTION OF THAT TRACT AS CONVEYED TO ROCKWALL HALL PARKWAY L.P. AS RECORDED IN VOLUME 3257, PAGE 91 OF THE DEED RECORDS OF ROCKWALL COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING, AT A 1/2" IRON ROD FOUND ON THE NORTHEAST LINE OF MIMS ROAD AT THE MOST SOUTHERLY CORNER OF SAID ROCKWALL HALL PARKWAY L.P. TRACT, SAME BEING THE NORTHWEST CORNER OF A TRACT AS CONVEYED TO DALLAS CONSTRUCTION COMPANY AS RECORDED IN VOLUME 630, PAGE 320 OF SAID DEED RECORDS;

THENCE, ALONG THE NORTHEAST LINE OF MIMS ROAD, THE FOLLOWING:

NORTH 47 DEGREES 40 MINUTES 05 SECONDS WEST, A DISTANCE OF 149.28 FEET TO A 1/2" IRON ROD FOUND;
NORTH 79 DEGREES 09 MINUTES 28 SECONDS WEST, A DISTANCE OF 273.00 FEET TO A 1/2" IRON ROD SET;
NORTH 45 DEGREES 54 MINUTES 47 SECONDS WEST, A DISTANCE OF 1228.92 FEET TO AN X SET IN CONCRETE IN MIMS ROAD AT THE MOST SOUTHERLY LINE OF A CALLED 1.00 ACRE TRACT AS CONVEYED TO BILLY PEOPLES, RECORDED IN VOLUME 277, PAGE 12, OF SAID DEED RECORDS;

THENCE, AROUND SAID PEOPLES TRACT, THE FOLLOWING:

NORTH 43 DEGREES 55 MINUTES 55 SECONDS EAST, LEAVING MIMS ROAD, A DISTANCE OF 211.98 FEET TO A 1/2 " IRON ROD SET;
NORTH 46 DEGREES 34 MINUTES 47 SECONDS WEST, A DISTANCE OF 119.65 FEET TO A POINT;

THENCE NORTH 44 DEGREES 01 MINUTES 15 SECONDS E., A DISTANCE OF 594.60 FEET TO THE BEGINNING OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 46 DEGREES 58 MINUTES 41 SECONDS WITH A RADIUS OF 500.00 FEET AND A CHORD BEARING OF NORTH 50 DEGREES 58 MINUTES 50 SECONDS WEST, AND CHORD DISTANCE OF 398.57 FEET;

AROUND SAID CURVE AN ARC LENGTH OF 409.96 FEET TO A 1/2" IRON ROD SET;

THENCE, NORTH 27 DEGREES 29 MINUTES 30 SECONDS WEST A DISTANCE OF 4.52 FEET TO A 1/2" IRON ROD SET ON RALPH HALL PARKWAY FOR CORNER;

THENCE, NORTH 62 DEGREES 30 MINUTES 30 SECONDS EAST ALONG THE SOUTH LINE OF RALPH HALL PARKWAY, A DISTANCE OF 77.28 FEET TO A 1/2" IRON ROD SET FOR CORNER;

THENCE SOUTH 29 DEGREES 15 MINUTES 20 SECONDS EAST, LEAVING THE SOUTH LINE OF RALPH HALL PARKWAY, A DISTANCE OF 9.96 FEET TO THE BEGINNING OF A CURVE TO THE LEFT HAVING A RADIUS OF 116.00 FEET AND A CENTRAL ANGLE OF 38 DEGREES 45 MINUTES 34 SECONDS, AND A CHORD BEARING OF SOUTH 48 DEGREES 38 MINUTES 07 SECONDS EAST AND CHORD DISTANCE OF 76.98 FEET;

AROUND SAID CURVE AN ARC LENGTH OF 78.47 FEET TO A 1/2" IRON ROD SET ;

THENCE SOUTH 68 DEGREES 00 MINUTES 54 SECONDS EAST A DISTANCE OF 13.73 FEET TO A 1/2" IRON ROD SET AT THE BEGINNING OF A CURVE TO THE RIGHT HAVING A RADIUS OF 176.64 FEET WITH A CENTRAL ANGLE OF 25 DEGREES 18 MINUTES 33 SECONDS AND A CHORD BEARING OF SOUTH 55 DEGREES 21 MINUTES 38 SECONDS EAST AND CHORD DISTANCE OF 77.40 FEET;

AROUND SAID CURVE AN ARC LENGTH OF 78.03 FEET TO A 1/2" IRON ROD SET;

THENCE, SOUTH 42 DEGREES 42 MINUTES 22 SECONDS EAST, A DISTANCE OF 104.70 FEET TO A 1/2" IRON ROD SET AT THE BEGINNING OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 23 DEGREES 38 MINUTES 42 SECONDS AND A RADIUS OF 191.00 FEET WITH A CHORD BEARING OF SOUTH 54 DEGREES 31 MINUTES 43 SECONDS EAST AND CHORD DISTANCE OF 78.26 FEET;

AROUND SAID CURVE AN ARC LENGTH OF 78.82 FEET TO A 1/2" IRON ROD SET;

THENCE, SOUTH 66 DEGREES 21 MINUTES 04 SECONDS EAST, A DISTANCE OF 26.02 FEET TO A 1/2" IRON ROD SET FOR CORNER;

THENCE NORTH 44 DEGREES 01 MINUTES 15 SECONDS EAST, A DISTANCE OF 669.55 FEET TO A 1/2" IRON ROD SET ON THE NORTHEAST LINE OF SAID ROCKWALL HALL PARKWAY L.P. TRACT;

THENCE, SOUTH 45DEGREES 53 MINUTES 59 SECONDS EAST, ALONG SAID NORTHEAST LINE, A DISTANCE OF 1205.03 FEET TO A PIPE FOUND AT THE MOST EASTERLY CORNER OF SAID ROCKWALL HALL PARKWAY L.P. TRACT, SAID POINT ALSO BEING THE MOST NORTHERLY CORNER OF A CALLED 4.00 ACRE TRACT AS CONVEYED TO EDDIE KELLEY EXPRESS, L.L.C. AS RECORDED IN VOLUME 164, PAGE 132, OF SAID DEED RECORDS; THENCE, SOUTH 23DEGREES 47 MINUTES 46 SECONDS WEST, A DISTANCE OF 270.33 FEET TO A 3/8" IRON ROD FOUND AT THE MOST WESTERLY CORNER OF SAID EDDIE KELLEY TRACT, SAME BEING THE MOST NORTHERLY CORNER OF BROWN AND BROWN SUBDIVISION, AN ADDITION TO THE CITY OF ROCKWALL AS RECORDED IN CABINET B, SLIDE 294, OF SAID PLAT RECORDS;

THENCE, ALONG THE NORTHWEST LINE OF SAID BROWN AND BROWN SUBDIVISION, THE FOLLOWING:

SOUTH 23DEGREES 34 MINUTES 38 SECONDS WEST, A DISTANCE OF 178.62 FEET TO A 1/2" IRON ROD FOUND;
SOUTH 23DEGREES 04 MINUTES 28 SECONDS WEST, A DISTANCE OF 65.01 FEET TO A 3/8" IRON ROD FOUND AT THE MOST WESTERLY CORNER OF SAID BROWN AND BROWN SUBDIVISION, SAME BEING THE MOST NORTHERLY CORNER OF A CALLED 1.50 ACRE TRACT AS CONVEYED TO TERRY AND DEBORAH MCKINNEY AS RECORDED IN VOLUME 1284, PAGE 219, OF SAID DEED RECORDS;

THENCE, SOUTH 23 DEGREES 56 MINUTES 59 SECONDS WEST, A DISTANCE OF 130.77 FEET TO A 1/2" IRON ROD FOUND AT THE MOST WESTERLY CORNER OF SAID MCKINNEY TRACT, SAME BEING THE MOST NORTHERLY CORNER OF A CALLED 1.504 ACRE TRACT AS CONVEYED TO ROBERT RANDALL JR. AS RECORDED IN VOLUME 1298, PAGE 187 OF SAID DEED RECORDS;

THENCE, SOUTH 24DEGREES 02 MINUTES 23 SECONDS WEST, A DISTANCE OF 143.85 FEET TO A 1/2" IRON ROD FOUND AT THE MOST WESTERLY

CORNER OF SAID RANDALL TRACT, SAME BEING THE MOST NORTHERLY CORNER OF A CALLED 5.00 ACRE TRACT AS CONVEYED TO DALLAS CONSTRUCTION COMPANY AS RECORDED IN VOLUME 630, PAGE 320, OF SAID DEED RECORDS;

THENCE, SOUTH 23 DEGREES 20 MINUTES 27 SECONDS WEST, A DISTANCE OF 353.71 FEET TO A 3/8" IRON ROD FOUND;

THENCE, SOUTH 23 DEGREES 53 MINUTES 06 SECONDS WEST, A DISTANCE OF 344.35 FEET TO THE POINT OF BEGINNING AND CONTAINING 52.375 ACRES OF LAND, MORE OR LESS.